

February 10, 2000

Vince McMahon made sports and business headlines on 2/3 with the announcement of him starting his own professional football league called the XFL.

McMahon, who failed in negotiations last year to buy the Canadian Football League, looks to be that league's No. 1 rival for players not quite good enough for the NFL in his eight-team league scheduled to start in February 2001 with each team playing ten games and ending with championship playoffs in April.

The announcement sent his stock prices tumbling, closing at press time at \$11.38 per share on 2/8, down from \$17.88 at the time of the announcement, meaning McMahon's own personal paper worth in WWFE stock dropped from a high of \$1.66 billion when the stock opened at 34 to the public down to the current \$555.9 million, with his personal on paper losses since the football announcement being \$317.8 million over five days. One would think at this rate the stock is terribly undervalued and will bounce back, but it has yet to bounce back from the previous drop caused by advertisers pulling out, despite ratings across the board increasing and no more advertisers leaving with the change to a tamer product. Unlike after the advertiser pullout story, which saw the stock drop from hovering in the low 20s to the 14-15 level, investment analysts are no longer considering the stock a good investment even at the reduced price.

McMahon took the losses in stride, or at least in stride in character, claiming the stock brokerage houses that downgraded his stock after the football announcement don't "get it," that they could "kiss his ass" and were "full of prunes."

All color aside, most of those remarks were clearly done to get press, which he succeeded in doing, but the flip side was his acting unlike a major corporation CEO in a public forum caused stockholders to lose confidence in him with an unusually high volume looking to sell out, also figuring the risks of starting a new football league are high. Since the company went public, while the WWF brand has continued to be enormously profitable and gross income continues to increase and the company has gotten a tremendous amount publicity. But McMahon hasn't been able to avoid his long-time problem of walking headfirst into problems that have made shareholders lose confidence in WWFE as a public company, whether it be the PTC content controversy, which he reacted to confrontationally at first which cost them in the market, the Coca Cola pulling out, which, even if the company didn't lose one cent in advertising due to it being the Christmas season and new sponsors willing to jump into the spots others jumped out of, the company paid for it with an even larger stock tumble than the football announcement resulted in.

It's way to soon to try and analyze McMahon as a pro football owner. Forgetting about paper assets, WWFE has probably in the neighborhood of \$235 million in assets, about \$63 million in accrued profits over the 17 years McMahon has owned the company and the rest from his windfall in selling 17% of company stock when it went public late last year. He is earmarking

somewhere between \$75 million and \$100 million of that to getting the league off the ground, claiming he would be profitable by a third season. McMahon claimed his company would be running the league on its own, saying "We're not looking for partners we don't play well with others." Other sources indicate McMahon's downside isn't quite as large and he is looking for other investors.

McMahon claimed not to be taking on the NFL, saying they would pay the best compensation to players of any football league with the exception of the NFL, but knocked them as the "No Fun League." Some reports have indicated each team would have a \$2 million salary cap, which means on a 40-man roster, they would be composed of \$50,000 per year players. Other reports indicate they'd be paying players from \$75,000 to \$100,000 and relying on incentive based contracts. The idea is to keep costs low and not compete with the NFL, which did in previous attempts like the USFL and WFL which were huge money losers. However, other attempts as pro football that kept salaries low and didn't compete with the NFL, in particular an NFL sponsored World League (which has succeeded in Europe after U.S. franchises didn't make it) and attempts at bringing the Canadian Football League into the U.S. also failed miserably. Just recently, two companies with far deeper pockets and far more experience in the football business, Ted Turner and NBC were planning on starting their own football league, and dropped the idea feeling it wouldn't be able to make it financially.

The games are scheduled to be played at major stadiums, with tickets being priced in the \$22-25 range and teams in major media markets such as New York, Los Angeles, Washington, San Francisco, Miami, Orlando and two other unannounced cities and venues such as 3-Com Park in San Francisco and Giants Stadium have been talked with. The question is partially whether McMahon can get people to the stadiums of that size to see what would basically be minor league football during poor weather months, and market the games strongly enough that they can draw competitive network ratings on Sundays after NFL and college season has concluded.

And then comes the questions, like working games. Of course McMahon denied they would do anything of the sort, but skepticism of that remains high. Clearly, they are going to establish personalities, probably mostly worked, which will invite suspicion, and rely on pro wrestling hype to get players and the teams over. How McMahon will react if he creates a star who can talk, but the star isn't good enough to get the job done on the field is where it gets interesting, because in wrestling he's never had to really deal with it. But even a new game works on some level, they'll still struggle because as long as they pay minor league football salaries, even if they can create stars, they'll still be the ECW of football. Anyone who is actually a really good overlooked find, will quickly leave for the greater riches of playing in the real league.

While McMahon's track record over the long term in pro wrestling is without question its greatest promoter in history, his success outside his chosen field is far more spotty. An attempt to make it as a major boxing promoter failed after only a few fights. An attempt to modernize pro bodybuilding was an even bigger failure. An attempt to produce major movies barely got off the ground. He has been very successful at marketing products with a pro wrestling base, such as entrance music CD's, biographies and magazines and other merchandise using characters but

has no track record when he leaves his comfortable wrestling world. It is too soon to tell about his pro wrestling theme cafe "WWF New York" which just opened and is currently getting heavy publicity, but the company already quietly gave up on a much ballyhood purchase of the former Debbie Reynolds Hotel in Las Vegas which is currently back up for sale.

The WWF's involvement in football started with consideration of buying the Minnesota Vikings, although the company never made an offer. Last February, they were approached about buying the Toronto Argonauts of the CFL, but responded that they wanted to buy the entire league. Several of the money losing teams wanted to continue discussions with the WWF, but ultimately it failed because the majority of owners were concerned McMahon would change the rules of their game, expand into the U.S. and pull out of smaller Canadian markets. Some also believe the end result of this will be to increase salaries in the CFL through an enhancement of the CFL/NFL relationship.

There will be some rule changes, such as no fair catches like in Canada and only one foot having to land inbounds, along with having cameras everywhere on the field including on the players' helmets and taking people into the huddles. A lot depends on a television deal, and WWF can use the ratings power of its own franchise to help put together a package deal with many networks. Still, most of the failed pro football leagues had major television coverage.

~~~~~

## **February 17, 2000**

Vince McMahon was on a big media day on 2/10.

He was on Fox News Network with Paula Zohn mainly promoting the XFL. He handled himself pretty well, but you could see that she seemed to lose respect for him when he said there would be absolutely no drug testing in the XFL. He said that was based on a lot of experience with drug testing, that it doesn't work, saying the IOC and NFL drug testing programs aren't successful because there are substances like Growth Hormone that can't be detected in tests. While that is true, and it is true the Atlanta Olympics were dubbed by athletes "The Growth Hormone Olympics," it is generally believed steroid use is way down in the NFL since the drug testing got more serious, but it is obviously not a complete answer. He also knocked the NFL's drug testing procedures because there are legal over-the-counter food supplements (certain EAS brand supplements in particular) that players are warned against taking because they contain elements that sometimes lead to positive test results.

Looking at WWF physiques pre-1992 (no steroid testing) and post-1996 (realistically no steroid testing) and the 1992-95 period reveals huge differences in the physiques of the wrestlers which shows that even if WWF was never a completely "clean" promotion, drug testing was at least a deterrent to lessen usage and dosages, and most likely it is the heavy abuse of those drugs as opposed to mild usage that may squeak through a test that leads to the majority of the health problems anyway. It's also no coincidence that the down period of the WWF's business

coincided with the period where steroid use appeared to be at its low point. McMahon has still never really proven he can market wrestling without mainly jacked up physiques successfully. The funny part of all this is if people remember, back in 1991 when McMahon talked about instituting drug testing of wrestlers after the trial of Dr. George Zahorian, that he claimed the company would have unbeatable tests and claimed the tests would catch any use of Growth Hormone as new testing had just been developed. In 1992, when McMahon hired Dr. Mauro DiPasquale (who at the time was the guy the world class powerlifters actually used to call up to tell them how to beat drug testing procedures in that sport) to head the program, DiPasquale claimed to have invented a test that would catch usage of Growth Hormone. When I mentioned McMahon claimed to me several months earlier he already had such a test, he laughed about it. Now eight years later, McMahon is on television saying there is no such test.

When Zohn asked him what percentage of the players in his league does he think will have used steroids, he said he had no way of knowing but said they would be getting their players from college football where they also don't drug test (which shows just how little McMahon has researched this football project making a statement like that because that isn't the case). Comparable minor leagues such as the USFL and Canadian League also didn't drug test and among insiders were known as steroid leagues, but they also didn't advertise that in television interviews as their calling card.

McMahon also knocked the NFL, saying they would hire anyone no matter what their background as long as they can help a team win (which is a very fair knock), and said his league would not hire any convicted felons, but did state he'd hire people who had misdemeanors. It should be noted that the WWF now does background checks for criminal records for anyone they hire as talent. I don't know if there is a hard and fast rule where if someone has a felony in their background they absolutely won't be hired, but it is something taken into consideration.

He also said he was mad at the two investment analysts who downgraded his stock because he said they did so without hearing the entire story of what he was proposing. He also tried to imply that the wrestlers of the WWF feel starting an XFL is a good idea. I'd be skeptical if that's the case (so far I haven't talked to one that was enthusiastic about it as a positive), but I'd also be skeptical if too many, or even any, would actually tell him that directly so his saying that the ones he's talked to about it had a positive reaction would be believable.

It's pretty clear McMahon is trying to use his popular WWF programming as leverage to cut a good deal for the XFL with no track record. When talking about any potential dealings with Fox and FX, the three major downfalls are that UPN holds an option to renew Smackdown for another year which makes it impossible to get a show on Fox unless UPN gives up its option which is going to be difficult to happen, because Fox would have less interest in XFL since it already has an NFL contract and because switching the USA network package to FX would result in a greatly decreased number of viewers at least over the short-haul until that network gets on all the major cable systems, and thus temporarily effect all other revenue streams. TNN has an Arena Football contract, but that league is in the midst of labor troubles, and TNN as a

network would love to add highly rated WWF programming and XFL could easily be taken as part of the package. However, being on low-rated TNN would greatly diminish the XFL's chances of success plus it would be a major step down when it comes to cable audience from the USA network, which is currently the No. 1 cable network in prime time.

Logic would say UPN would take the chance on the XFL, since the network is trying to build around teenage male demos which would be the XFL target audience, which guarantees it good promotion within the network, but hardly guarantees it success. The World League with similar caliber players playing in traditional off-season had an ABC contract and still failed hard and fast in this country. There are many NFL teams, which draw far more fans, have sweeter rent deals, better merchandising opportunities and most of all, have umpteen times more guaranteed income from the huge three major network television contract and local market radio rights, that still lose money, and only partially because of larger percentage of revenue they pay for talent. Where owning an NFL team pays off for those franchises is not in the annual profit, but in the ability to sell the franchise at a continually inflating figure. If McMahon creates the league to sell off the franchises, that may work out to become a good investment, but the league is first going to have to prove itself. If McMahon is truly serious in the idea of his company owning all the teams it will make it harder to make money. Nobody in wrestling we've talked with believes that is the case. Then again, many are also skeptical whether McMahon will be able to resist working the games to best get over marketable stars. The most amusing thing about the press conference was when McMahon was asked that very question and rolled his eyes like it was beneath his dignity to even be asked such a question when he's spent his entire adult life working in an industry that does nothing but works its outcomes and the only thing legit he ever promoted, the Brawl-for-All, was a total disaster largely because it really was legit. While McMahon himself has made a rep as a promoter and is putting himself to the public as the guy who would be hands on in charge of this venture, the real man running things is going to be Basil DeVito, who has a real sports background, mainly in horse racing, and whose strengths according to those with experience working with him are more as a good talker than as someone suited to run a major pro sports league.

Ultimately success or failure of the league as a whole depends on several things, one of which he has a great advantage in. With one year of television hype for the debut, the curiosity will probably be strong at the start but the product had better be ready. If the product is entertaining, ultimately, people will stay with it, and by product I don't mean the caliber of the players and the game, but more the overall atmosphere. If, after the Super Bowl and the college bowls, the general public has had enough football, which McMahon is counting on not to be the case, he could market it great and a great marketer who produces a product the public doesn't want is not going to be successful. McMahon has one giant advantage in that all sports leagues need the mainstream media to convince the public the games are important. Inherently, whether it be the Super Bowl, or Wrestlemania, the success is more a quality of the hype for the product than the product itself. Most sports are hyped by the TV sportscasters and the newspapers, who control a great deal whether the public thinks a game or a fight is important. If they treat it as third-rate, it's importance becomes third-rate. But McMahon has hours of his own television and a large captive audience. For the same reasons he and other wrestling promoters throughout

history since the TV era began haven't needed mainstream newspaper stories and TV news coverage to run a successful company, his own self made TV hype on his wrestling shows may make traditional avenues for sports credibility and coverage less important. But wrestling fans also have to accept it and not resent it as an intrusion. Those were all the same reasons why the WBF would work huge and change bodybuilding into a television entertainment form, and it never caught on. That's all the reason to say why wrestling fans should have been interested in auto racing, or for that matter K-1 kickboxing, or Erik Watts or seeing a washed up Sugar Ray Leonard fight, but in all cases wrestling fans saw it as an intrusion on the product and they didn't result in being a captive audience.

Ultimately, even if he innovates new concepts when it comes to the game such as cameras everywhere or the trappings around the game, or creates new stars, the NFL will institute those same concepts and steal those stars. If you're counting on the idea that since he isn't going to try and bid for NFL-calibre talent and thus will keep the payrolls low as a reason this will succeed where the USFL and WFL didn't, that ignores the failure in the U.S. of the WLAF, which was subsidized by the NFL to an extent, had stronger television coverage than the XFL probably will get, and basically had the same level of players. Another question that needs to be asked, like if McMahon can resist the urge to work aspects of the game to protect marketable stars, is how long he'll be willing to sit back and allow the NFL, with its higher salaries, to cherry pick the best of his players once stars are established. He didn't willingly settle for being second best in wrestling.

To combat the fact his stock took a tumble because of belief this league is grounded in ego rather than business, he wrote an article in the New York Daily News on 2/13 defending his decision, which appeared clear his knowledge of football was largely based on players like Don Joyce, Ernie Ladd and Wahoo McDaniel who wrestled in the WWWF during the 60s and 70s. This led to a full point rally of his stock the next day which closed at \$11.31 after being as low late last week as \$9.75.

McMahon was also on KNBR radio in San Francisco promoting the XFL. He insisted that his company doesn't hype what it can't deliver and said it was a definite the league would be starting in February 2001 and there would be a team playing home games at 3-Com Park. He talked about having cameras in the huddles, on the sidelines, on the cheerleaders and in the locker rooms.

Naturally the subject of wrestling came up and one of the hosts had seen the 20/20 story on Mick Foley. McMahon ripped on the show, and on news people in general (which the hosts, who supposedly report sports news, laughed at approvingly) in the over-the-top voice he uses saying shows like that use the WWF to boost their ratings and then do sensationalized negative stories. He first said he didn't care because he likes the "bad boy" image, then proceeded to complain about how unfair it was. The host mentioned that Foley walked like an 80-year-old man and was a physical wreck and said that while Foley said he'd do it all over again, intimated that maybe McMahon shouldn't have let him do this much damage to himself.

The other host, who was a wrestling fan, noted McMahon saying after Hell in the Cell that he told Foley to never do anything like that again. McMahon acted as if 20/20 had been totally unfair and exaggerated the negatives in the piece and said that he himself sometimes forgets things and gets lost finding his way home. One of the hosts brought up it was Foley's own wife who made the strongest comments. McMahon then compared her on the 20/20 interview to Robin Givens on the famous Mike Tyson interview years ago and said that Mick Foley would never let his wife do another interview (actually both Foley and his wife agreed it would be best to not put her in that position). Foley appeared to also be upset with the way the 20/20 story came out, since he kind of made fun of the idea that his brain was going on Raw the following Monday. He's told people he felt they painted a darker picture of a deal with the devil type of story about him rather than painted a nice picture of him ending his career as a success and that he can retire at 34 on top and on his own terms after 15 years, and that most football players end their careers due to injuries and don't last 15 years. As it regards the upcoming PPV, McMahon said that precautions have been taken and that Foley would not be able to hurt himself like he did the last time in the Hell in the Cell match.

-----

-----

Bill Lyon in the Philadelphia Inquirer wrote a column on 2/5 regarding the XFL. He wrote that the NFL is as close to being bulletproof as anything in sports. He described XFL vs. NFL as being equivalent to an ant pounding on an elephant's kneecap. But he did say you can't dismiss McMahon because he knows how to reach a certain demographics and most importantly, he's not encumbered by the weight of having a conscience (that's actually a great line). He wrote, "In the end, the credibility issue is what is likely to doom the XFL. Wrestling fans are willing to suspend disbelief at a WWF event. Deep down, they know that while the falls are spectacular and real--witness the spate of fatalities and serious injuries as flamboyant acrobatics have come into vogue--everything has been choreographed and rehearsed. The bridge McMahon is trying to build would join entertainment and sports, but it says here that sports fans would be reluctant to buy into it. The prearranged outcome is just another term for the fix. And the talent discrepancy would not sell with the football fan. The XFL might make it. But as a curiosity, mostly. And with a relatively short shelf life. And the NFL would not even bother to rub its kneecap.

One of the keys to the XFL is Michael Weisman, who is going to run the television production. Weisman was NBC's lead sports producer from 1983 to 1989 including having Super Bowls to his credit, and is currently the lead baseball producer for FOX

~~~~~

~~~~~

**February 28, 2000**

WWFE stock closed at press time on 2/22 at \$11.81 per share so there has been no recovery since the XFL announcement

~~~~~  
~~~~~  
April 3, 2000

Just at press time it was reported in a trade journal that on 3/28, the WWF would announce that the XFL would air in prime time on Saturday nights on NBC through a deal put together by Dick Ebersol. Ebersol and McMahon were business partners in the 80s for the old Saturday Night's Main Events. The ramifications are huge of this both for football and wrestling. It is expected that the WWF's new television deal would be announced imminently as well.

-----  
-----  
The Los Angeles Business Journal had a story about the XFL having a team play out of the Los Angeles Coliseum, saying that while stadium officials and some network honchos are taking the XFL seriously, there is widespread skepticism about it making it. The WWF claims it has enough money earmarked to sustain the league for three seasons. The league is talking about expanding to 16 teams by 2005. The WWF in the article still insists it will own all the teams and isn't interested in outside investors. The WWF said they will be going after a younger audience that the NFL doesn't get, but won't be staged entertainment, with spokes Jayson Berstein saying "We are not looking at turning this into a mockery of the sport." They quoted a top media buyer saying the advertising community has doubts about the league's viability and is going to be a tough sell, because the feeling among advertisers is that it won't be a legitimate football league and will be entertainment rather than sport

~~~~~  
~~~~~  
April 10, 2000

The odds of success of the XFL increased greatly this past week with the announcement of the deal where NBC would become 50% owner of the league, and broadcast the games every Saturday night from February through April from 8-11 p.m. Eastern time.

In the deal, NBC and WWFE would each share half of the start-up costs for the league, estimated at about \$100 million. NBC would provide the time slot. The TV advertising revenue, instead of going to NBC as it would for any other sports or entertainment package, would go to the XFL, which basically means half NBC and half WWFE. In addition, NBC purchased 2.3 million shares of WWFE at \$13 a share, roughly a 30% discount as to what the stock was trading for at the time, meaning it owns approximately 3 percent of the stock, of which another 17% is owned by the public through the IPO and the other 80% is owned by the McMahon family and whatever major star wrestlers will be given stock free (as opposed to being given the right to purchase the stock for \$17) in two years as part of a deal if they don't leave the company.



The move was somewhat shocking, since NBC had just backed out of a similar deal with Time Warner when both sides cited there was no way to financially make the league work. Dick Ebersol, who put the deal together with McMahon and has a business relationship dating back to being co-owners of the NBC Saturday Night Main Event shows in the 80s, claimed the model they are working on indicate the league would be profitable by its third season. He indicated that it gets NBC into the football business with only an \$80 million outlay (\$50 million for its share of the start-up costs of the league and the \$30 million it paid for WWFE stock), a tremendously low figure, with no future rights fees having to be negotiated in the future, as compared with the billion dollar NFL deal where the networks consider their football package as a loss leader in many cases. Ebersol is somewhat under the gun for a success at NBC Sports these days because of the NBA's strong ratings decline. While it was a given the XFL would get television coverage, being the number of cable networks there are out there and figuring UPN, the NBC prime time coverage is an interesting attempt, which has led to a decent amount of media criticism of NBC for being in business with McMahon, but still makes the league's success both financially and as a TV entity far from a lock.

Saturday night is the lowest rated night of television per week. The fact that McMahon's wrestlers led to Saturday Night Live drawing its best rating in nearly one year, and its best among males 12-24 in nearly six years, brought up what Ebersol and others are pointing out about McMahon's success in delivery that demographic. Raw on Mondays, within that one demographic, draws significantly more viewers than Monday Night Football. In overall viewership, Monday Night Football drew just over three times as many viewers as Raw this past season. NBC is going in with the idea that because McMahon knows how to deliver viewers in that age group, viewers that the NFL and all other football at this point doesn't deliver, that McMahon promoting football would deliver those viewers, who at this point don't even watch TV on Saturday nights, based on the fact The Rock delivered those viewers once. NBC is also hoping that XFL skewing young, as a lead-in to the 11 p.m. news, would increase the number of younger viewers to Saturday Night Live. According to an article in Media Week, media buyers are questioning NBC's de-emphasis of the 25-49 demo while trying to increase the 12-24 as a Saturday night TV strategy, noting that even if ratings go up, better ratings while focusing on a demo with far less income may still result in less advertiser income. The article also suggests the strategy itself to increase ratings is also questionable, wondering how many 17-to-24 year-olds will stay home on Saturday night to watch television.

While making any generalization before the product is rolled out is dangerous, if NBC wanted young male viewers on Saturday Night, it would have been much safer to put on McMahon's wrestling shows, with a proven track record to those viewers, which NBC indicated it had no interest in, as opposed to going on the assumption the audience for entertainment soap opera pro wrestling would cross over to sport pro football, something they largely didn't do for boxing, movies or bodybuilding failed ventures McMahon promoted in the past. While having Rock and Stone Cold appear on the early live telecasts and do shtick at the stadiums will help jump start and give it curiosity among the fans, it still has to put on an entertaining product to keep them. It's actually very close to an equivalent to Aaron Spelling, who has promoted many successful television shows to the young demographic, suddenly starting up a baseball league, and the

network that bought it expecting the people who grew up watching 90210 to suddenly become fans of minor league baseball.

The deal doesn't in any way preclude a deal that many believe is close to being done, for McMahon to sign an exclusive national deal for his wrestling shows with CBS, which would, in turn, buy another \$100 million in McMahon's personal WWFE stock. The XFL is still expected to sign a second deal with a smaller network or cable carrier for its second-tier games, including talk of USA network broadcasting a prime time mid-week and Sunday afternoon game every week.

This football league will be unique among sports models. It will be the first attempt at doing a major league where the network itself would own the league as opposed to paying rights fees for it. In major markets, this model is being done with certain teams, most notably when Ted Turner owned the Braves, Hawks and TBS, where the stations that broadcast the games in some cases own the teams or the proposed New York conglomerate of teams and cable station, but there is no such national deal in existence with a major sports league. Turner tried to create his own Olympics in non-Olympic years, the Goodwill Games, which was a financial failure of epic proportions. NBC's involvement has to end speculation that the games would eventually be "worked," and stars created in the manner they are in pro wrestling, because while WWF can survive such a scandal, NBC can't. However, it doesn't preclude, with no individual ownership of teams, also almost unique in the major sports world (there is a soccer league where the league itself owns many of the teams and the WNBA is owned by the NBA), that the rosters can't be manipulated to give the major market teams a competitive advantage. If major market teams do well and this catches on, it should help the ratings, particularly in the playoffs. Ebersol was actually asked about this at the press conference and reacted as if the question was an insult, but when working with the WWF, it becomes a very logical question. One of the complaints about the NFL is that the league has become so well balanced and teams on top one year don't last, that there are fewer marquee teams than in the past which has led to lower Monday Night Football ratings which in the past were based on marquee team match-ups. Actually the lower ratings are probably even more to do with competition from 100 stations in a market as opposed to 20 in the past, plus the Monday night wrestling boom is a factor. The NBA's mid-80s and early-90s popularity boom was built around the Boston Celtics, Chicago Bulls and Los Angeles Lakers, who dominated the network broadcasts of the league, and has declined greatly without the same calibre of marquee drawing power teams. In a sport where the shelf-life of players is small due to injuries, it will survive based partially on local community involvement with the local team.

NBC had been drawing a 5.6 rating for its Saturday night line-up, and Ebersol said they are making a conservative projection that the football would draw a 4.5, but with a younger skewing demographic. If they do get the demographic that the wrestling gets, they will be a success among advertisers which means the league will probably make it. WWF draws one of the demos advertisers covet most, but still doesn't quite earn in advertising revenue what it could for what it delivers because many blue chip advertisers don't want an association with wrestling because of its negative connotations to many. The question is, can the XFL deliver a weekly

audience of WWF fans, as opposed to simply the die-hard football fans who will watch anything, on a night when one would think it would be so difficult to draw those viewers that all the networks have for the most part given up on them in the first place. If it doesn't draw the former, it won't be a success.

There were some rule changes that were expected officially announced, such as no fair catches and one foot in bounds required for a complete pass, shorter halftimes and cameras in locker rooms, on sidelines and in helmets as well as locker room, huddles being miked and players being encouraged to copy wrestlers' playing to the crowd between plays in manners such as sack and touchdown dances. The Saturday night games start on February 3, 2001 and continue through the first championship game set for April 21.

While many comparisons have been made to the old AFL in the 60s particularly after the NBC announcement, since the AFL broadcast and really made by NBC and eventually merged with the NFL and thus was a huge success, people who romanticize about the comparison miss several basic historical points. There is far more sports competition today, but far more of an appetite for sports and televised sports, but also more successful sports. There is more competition, but it is still easier to make a sports league a success. The AFL in its infancy consisted of former NFL players who couldn't make the grade (some of whom, like George Blanda, lasted more than 15 years and ended up in the Hall of Fame after he was believed to have been washed up by the NFL) and in the early years, college players that the NFL didn't want and had high scoring games with bad defense, setting impressive statistical records that stood up for decades. But the league was not a success at the time. At the time, both leagues kept their salary structures low and the AFL was a huge money loser and actually in those early years considered a joke, a stigma it never fully erased until 1969 when an AFL team won the Super Bowl for the first time in a giant upset. The reason the AFL succeeded was long before that game. It gained a lot of publicity when it started outbidding the NFL for some top college players (most notable was the record offer Joe Namath, who was the quarterback of that famous game, received coming out of college), and then started offering huge, by the standard of the time, money contracts going after the NFL's biggest stars. The AFL signed John Brodie for an unheard of at the time figure and set its sights on more marquee quarterbacks. Rather than let the bidding war escalate for stars and the main NFL franchises lose their franchise quarterbacks because they didn't want to actually spend big money to keep big them, the NFL allowed the AFL to become part of the league in 1966, which set up the first Super Bowl, and that was the how that league succeeded, and not because it had high scoring wilder games because during that early 60s romantic AFL period, the league lost its ass and didn't draw.

Where the XFL model differed from the Time Warner/NBC model that was dropped is that the XFL plans on keeping salaries low, supposedly in the \$50,000 to \$100,000 range, and not compete with the NFL for talent, which did in leagues like the USFL (which had network television coverage on ABC and was a financial failure of gigantic proportions), the WFL (which had network coverage and failed just as badly). The WLAFF, which had national coverage on ABC as well, although not in prime time, and played in the spring, so there was no direct competition with NFL and college football seasons, and had as high if not a higher calibre of

play than the XFL and also kept salaries low and was sponsored by the NFL, failed miserably in the United States just a few years ago. This isn't to say the XFL is doomed because others failed either, just that even with this deal, there are no guarantees. One can point to Arena Football, which draws well in some markets using players that aren't of top calibre in most cases and doesn't pay the players well, as a model since it seems like it's doing okay. But it is far easier to draw 8,000 or 12,000 fans in a 16,000-seat arena and look impressive than what even drawing 25,000 people would look like in a 70,000-seat stadium. The International Hockey League sells out in some markets and it considered successful with players not deemed good enough for the major league in a sport not as popular or as TV friendly as football, but it would also die having to compete in network prime time, as would most sports regularly with the exception of baseball and basketball playoffs, college bowl games and the NFL. Most Arena league teams don't make money even with TV rights fees both nationally and locally, and the profit seems to be in the selling of the franchises. If NBC and WWFE own all the teams, that aspect of the money making, which is actually one of the biggest money makers for NFL owners as well, many of whom lose money annually but make the big score selling at far higher prices than they bought, is out the window, unless the idea is to actually make the money by selling the franchises later.

The other aspect is quality of play. There is no question the players won't be of NFL calibre, because they aren't bidding for them. The idea they are going with is they'll get the best players the NFL doesn't get, sign them up long-term with options so the NFL can't steal the stars easily, or at least quickly, because they'll pay better money than the World League, Arena League or Canadian League, which would be its competitors for the same players. On paper, that sounds like they'll have the second best players of any pro league, which may mean nothing since Canadian, USFL, WFL and WLAF each had them at some point and failed miserably in this country. But that's not even a guarantee. For third-rate players who don't have any hopes of playing in the NFL, this will be their best bet. For every player who makes the final cut of an NFL roster or is on the practice squad, there are 10-15 of fairly similar "second-rate" talent, which is what the XFL is looking at. But those players if they have any true competitive belief in their ability, also believe they are good enough to play in the NFL. Many, particularly those with agents looking long-term and with confidence in their ability, will take a one-year deal in a World League because it's NFL affiliated for less money because of the chance of advancing to the NFL and making big money, as opposed to slightly more money for the first year in the XFL but no chance of ever making really big money in a short football career.

There is also the question of public perception. Ultimately, people still have to buy tickets to fill stadiums, as much to make money as for the perception that there is any true value in the product. Whether it's on network TV on Saturday night or not, a 60,000-seat stadium with 15,000 in the building will be perceived as a loser quickly and it will negatively affect ratings with only a few week lag. Papering houses to fill stadiums will come out quickly in today's environment, and like it was with the USFL, will become a quick black eye for the league. There will be opening curiosity, but there was opening curiosity for RollerJam, whose first week drew almost twice as many viewers on USA as ECW's best week ever did, but curiosity only lasts so long unless you have a product people care about.

What NBC has done for the XFL, is that if they open by being taken more seriously by the media, and if they can create an interest in the product and then deliver an entertaining product, the odds of making it have been greatly increased. The good p.r. of not hiring felons may be negated by the bad p.r. of not drug testing (the other football failed leagues also didn't drug test and were known in the business as heavy drug leagues, as this will become without testing, but it never became a media issue nor would it have because those leagues were never successful, which it would have been had they lasted). Every marriage has its honeymoon period, like the NBC/WWFE merger has right now. McMahon himself can do just about anything within pro wrestling with little or no media awareness. About the only wrestling promotional move that really garnered any mainstream publicity has been his continuing with the show after the Owen Hart death (there has been a lot regarding content but that wasn't a singular promotional move). It's believed to be beneath the dignity of most of the media to focus much on wrestling aside from "one-time" stories because it's still, with all its current popularity, considered beneath their dignity to cover wrestling seriously. That will not happen in football, particularly if it shows signs of being a success, and particularly because the NFL has tremendous media advantages and will be quick to fuel the negativity if this becomes a viable entity. If something like this were to happen, such as the aftermath as the Hart death, even in wrestling at this point, it would no longer be a minor media story. It would be a huge black eye, not just on McMahon, who, quite frankly, has proven he can take it, but on NBC, which may not be nearly as willing.

~~~~~

~~~~~

**April 3, 2000**

The Los Angeles Business Journal had a story about the XFL having a team play out of the Los Angeles Coliseum, saying that while stadium officials and some network honchos are taking the XFL seriously, there is widespread skepticism about it making it. The WWF claims it has enough money earmarked to sustain the league for three seasons. The league is talking about expanding to 16 teams by 2005. The WWF in the article still insists it will own all the teams and isn't interested in outside investors. The WWF said they will be going after a younger audience that the NFL doesn't get, but won't be staged entertainment, with spokes Jayson Berstein saying "We are not looking at turning this into a mockery of the sport." They quoted a top media buyer saying the advertising community has doubts about the league's viability and is going to be a tough sell, because the feeling among advertisers is that it won't be a legitimate football league and will be entertainment rather than sport

~~~~~

~~~~~

**April 17, 2000**

The Canadian Football League is looking to make a pact with the XFL, obviously in an attempt to keep the XFL, which is going to have a higher salary structure, from raiding the league of its best players. CFL President Jeff Giles said that he spoke with Carl DeMarco, the President of

WWF Canada, about it, and DeMarco didn't give him an answer. CFL commissioner John Tory was quoted on CTB SportsNet.com as saying, "I don't for a minute underestimate the resources and the talents of Vince McMahon and the people in his organization. I believe it would be a very good idea to get involved with them and I know our board would be eager to talk with them. What was on the table (that the CFL turned down which led to the formation of this league) was the outright sale of the league and the outright loss of our rules and we weren't interested in that. They wanted complete control of the league and our board felt that was giving up too much. DeMarco, last week, in the Toronto Sun, said, regarding the CFL, "Those idiots missed the boat. The CFL dropped the ball. The WWF could have been the CFL's white knight. Seven out of eight teams lose money and surveys show the fans don't care--they really dropped the ball. Everyone mocked the WWF and Vince McMahon and he just proved everybody wrong." In this football venture, McMahon very well may prove everybody wrong, but at this point in time to say he already has is premature to say the least. In what TV people the past few days were pointing out as a bad sign, NBC put the NBA in prime time on 4/8 with the Lakers vs. Spurs which only drew a 2.7 rating, about half of what NBC averages with regular programming. The Wall Street Journal ran an article this past week saying how advertisers are very skeptical about the prospects for the XFL to be competitive in network prime time ratings. The funny thing within the advertising community is that they think the XFL WILL draw the WWF audience and not the NFL audience, which they don't consider good. At this point, according to WSJ was that "one of the fears potential XFL advertisers appear to have is how closely will the XFL be associated with the WWF and the much younger, less affluent audience professional wrestling attracts.

~~~~~  
~~~~~

#### **April 24, 2000**

In some comparisons for what the XFL is getting into, the NBA game on 4/15 on NBC in prime time (Utah Jazz vs. San Antonio Spurs) drew a 3.2 rating. CBS had an Ice Wars special with figure skating that drew a 6.2.

~~~~~  
~~~~~

#### **May 8, 2000**

A few more XFL notes as it pertains to rules. All players will earn \$50,000 per year with \$3,000 bonuses going to the team that wins each game and additional bonuses in the \$25,000 to \$30,000 range for the team that wins the overall championship. Coaches will be paid a \$150,000 base plus bonuses based on winning. XFL is hiring dance coaches for every time and each team will be given its own unique dance which the players will be encouraged to use after touchdowns and major plays. Besides no fair catches, kickoffs will be from the 25 yard line and kickoffs can't be allowed to go into the end zone for a touchback. They are considering four

points for any field goal of more than 50 yards. They will try and build local teams around players from the area with a territorial based draft

### **May 29, 2000**

The XFL got a second broadcast deal as it will have Sunday night games in prime time on UPN starting in February as well as one playoff game

### **June 12, 2000**

Expect a lot of announcements regarding team names, stadiums, etc. for the XFL over the next few weeks. At this point in time, there are said to be no plans to give a WWF feel to the product such as name teams Rattlesnakes or Smackdowns or Rocks or Undertakers or American Badasses

### **June 19, 2000**

Giants Stadium in New York and Soldier Field are officially home fields for two of the XFL teams

### **June 26, 2000**

(from story on WWF/USA Network lawsuit)

-.....McMahon also complained that USA Network execs snickered at him when he asked to buy into the Sci Fi Channel and help program it. However, court documents did reveal that USA Network President Stephen Chao proposed launching a new station they would call the "Man Cable Channel," based around WWF wrestling and the XFL.

-NBC officially purchased the WWFE stock and signed for television broadcast rights to the XFL on 6/13 in the deal that had been announced some months back. NBC purchased 3.3 percent of the WWFE for \$30 million, or a price of \$13 per share, well under the going rate of \$18.38 for the stock as of its close on 6/14

-Expect Birmingham and Memphis to be the two cities announced this week for the two remaining XFL franchises

~~~~~  
~~~~~  
**July 10, 2000**

Ross & Lawler auditioned for an XFL announcing job for this coming season  
~~~~~  
~~~~~

**August 7, 2000**

-The XFL got its first embarrassment, and probably not its last, after talking about its employees having a higher moral standard than the NFL and then the news came out that the man they chose to head their Chicago franchise, Ken Valdeseri, was accused of gambling on sporting events while he was employed by the Bears

-The Philadelphia Daily News on 7/25 ran an in-depth story on the XFL, noting the product is having problems attracting sponsors. OMD USA, an advertising firm who purchases for 87 companies including biggies like Visa, Pepsi, GM and Anheuser-Busch, noted advertisers are very cautious about this product. "People are too scared," said managing partner Dan Rank. No one has seen it and no one knows what it's going to be. The little bit I've seen of it, it doesn't look like the WWF, it looks like the NFL. I think they are doing that so they don't care the NFL people. But what you buy might not be what you get. I don't think people will be willing to buy into it until they have see it, and I think they'll be struggling until then. It's tough to sell it to our clients right now." The teams will each have 38 active players and seven taxi-squad members who will earn up to a \$4,500 per game base salary and an additional \$2,600 per player on the winning team. The eventual league champion will get another \$22,222 bonus per player. The story also quoted sports super agent Leigh Steinberg as predicting it will be a big success, saying a league needs players, empty markets and television, and the XFL will have all of those things come February. Dean Bonham of The Bonham Group, a sports marketing firm in Denver said, "I don't think it will last long term. It will make a splash, but the splash is most likely to end up with the body dying and not coming up to swim  
~~~~~  
~~~~~

**August 14, 2000**

Keep these projections ready for next spring. NBC is promising broadcasters and advertisers that the XFL games on NBC will average a 5.5 rating for the season, that the games on UPN will average a 3.0 and the games on TNN will average a 2.5  
~~~~~  
~~~~~



**September 4, 2000**

-Media Week had a major story regarding the struggle for power in UPN. The story basically covered the ground that News Corporation (FOX Network) is attempting to leverage its ownership of WWOR in New York, KCOP in Los Angeles and KBHK in San Francisco into getting up to 50 percent ownership in the UPN network on the grounds that if they don't get ownership in UPN, they'll pull those stations in January from the network, which will cripple the network. There are numerous political implications on both sides that will be played out in upcoming months. It was interesting because aside from Smackdown, the story portrayed XFL broadcasts starting in February as strong UPN programming and pointed out that FOX could advertise its programming during Smackdown and XFL as a way this merger would strengthen FOX

-The official names for the XFL's eight teams as announced at the 8/24 press conference are the New York/New Jersey Hit Men (Bret), Orlando Rage, Memphis Maniax, San Jose Demons (My God, they named a team after Dale Torborg), Los Angeles Extreme (ECW), Las Vegas Outlaws (Oh, You didn't know?), Chicago Enforcers (Double A) and Birmingham Thunderbolts (Patterson). The Birmingham team was to be called The Blast, but the word got out, and apparently there was a very famous 1963 bombing where several children died, that was a well known story in the community and the WWF office was told the Blast name would locally be considered in bad taste so instead they named the team after a black civil rights activist (that last half of the sentence was being facetious). The Calgary Flames, who own the minor league Calgary Hit Men team (Bret Hart was at one point a partial owner of the team) claimed they are exploring legal options against the WWF saying that their trademark name and rights to the Hit Men name extends to the United States

-Not much on Smackdown on 8/24. Thought it was a nothing show with an excellent finish (Angle kissing Stephanie was a great cliffhanger going into SummerSlam). The XFL team logos were pretty cool. One thing I'd figured, and it's true, is they know how to create things from a merchandising standpoint. Reports are that the early season ticket sales haven't exactly been through the roof, but maybe it's too soon.

-Jim Ross and Jerry Lawler had a try-out to be XFL announcers. From a few reports, they had a very strong try-out, but it is considered highly unlikely they'll be getting the job as they are already into negotiations with announcers for the league and haven't called either back. Apparently NBC wasn't comfortable about using them because of all the suspicions that the games will be worked (they won't with NBC as 50% owner, but because it's WWF owned, many in the business world are skeptical) and that Ross and Lawler are too associated with pro wrestling and they want the league to have no association with pro wrestling (except they expect that they'll get pro wrestling fans to watch the TV, which if that's the goal, using Ross and Lawler would have been a good idea)

~~~~~  
~~~~~

**September 11, 2000**

John Madden was asked about the XFL on the U.S. Open and said he thought it would make it because they had two smart people heading it up in Vince McMahon and Dick Ebersol and they have NBC. "Some people say, 'Who is going to watch it?' Well, who watches wrestling? There are a heck of a lot of people who watch that, not that this (XFL) is going to be wrestling

~~~~~

~~~~~

**September 25, 2000**

The XFL San Jose Demons are now the San Francisco Demons, announcing a move from San Jose to the new Pac Bell Park in San Francisco after negotiations at Spartan Stadium his a standstill. On the surface, it may not be the right move. San Jose has no NFL team nor Baseball team (only major league franchises are in hockey and soccer, both of which draw tremendously well because it's a wealthy community with a large population base and few big league teams). has major teams in every sport, and a team in a second tier football league isn't going to be nearly as big a deal. Now to the NBC folks in New York, San Francisco sounds more major league than San Jose, but it'll also be easier drawing in San Jose that time of the year because even in the San Francisco summer, SF is terribly cold at night, let alone in winter, and the mentality isn't like in a city like Green Bay or even Chicago where there's a tradition of braving the elements to see a football game. The San Jose weather is a lot more pleasant during that time of the year

~~~~~

~~~~~

**October 9, 2000**

-WWF filed a lawsuit on 10/2 against the William Morris Agency as the claim is WMA is demanding fees as its percentage of deals the WWF claims WMA had no hand in making. According to an article in Variety, the WWF is going under the legal strategy of attacking the structure of the contract because the WWF would have a more difficult time in court trying to overturn the deal itself. The WWF claims WMA is billing the WWF for agency fees in regard to some major deals the WWF claims WMA had no part in putting together, among them being the Viacom deal, the WWF/NBC deal to put together the XFL as well as the deal with UPN for Smackdown. The WWF is asking for unspecified damages, both actual and punitive and a declaration that WMA isn't entitled to any agency commissions from the XFL deal with NBC, the WWF deal with Viacom or from the Smackdown show on UPN. In the lawsuit, the WWF claims that the standard contracts signed by clients of the WMA are a "fraudulent custom and practice designed to perpetuate a money-for-nothing scheme to enrich the agency at the unlawful expense" of its clients, and not only just the WWF. WWF signed a contract with WMA on October 31, 1997 and claims in March 1999, and wrote to WMA that they were dissatisfied with

the relationship and wished to terminate it. WWF is now under a representation contract with the Endeavor agency.

-It has been reported that the WWF has signed 1998 Playboy Playmate of the Year, Karen McDougal, as a cheerleader who will get a major promotional push with the XFL. McDougal is expected to be featured in NBC ads that will start airing this month for the new league.

-The Calgary Flames and DC Comics have either filed or threatened to file a lawsuit against WWFE for the New York Hit Men nickname for the XFL team. The Flames own the Calgary Hit Men and claim rights to the nickname. DC Comics had previously trademarked the Hit Men name and had made a co-existence deal for the name with Bret Hart when he attempted to trademark it.

~~~~~  
~~~~~

### **November 13, 2000**

Apparently the MCW vs. Power Pro feud in Memphis was largely spurred on by WWF and WMC-TV. Since the local NBC affiliate will be broadcasting the XFL in February, they were looking at a cross promotion since Memphis has a team, it made sense to regain power over the traditional wrestling show in the market. The idea is that the MCW show moves to a later time slot so the shows don't go head-to-head, and the companies work together to do a feud. The entire MCW roster appeared on the 11/4 PPW show, including

~~~~~  
~~~~~

### **November 27, 2000**

-Josh Wilcox, who briefly did some stuff this past year with ECW, will be playing this coming season for the Los Angeles Extreme of the XFL. The coach of the Extreme, Al Lugenbill, coached Wilcox when he played in the European League's Amsterdam Admirals a few seasons back. Wilcox played two seasons with the New Orleans Saints, and when the Saints dropped his contract after last season, did an angle on ECW where he turned heel on the Saints with ECW trying to portray as if he quit the team on ECW TV

-WWFE and Headline Media Group, Inc. inked a deal announced on 11/15 to broadcast Smackdown, Metal and XFL football in Canada on the 24-hour sports Score Television Network. Smackdown had never previously aired in Canada (some cable packages did carry UPN affiliates from the U.S. so in some of the cities near the border or with good cable systems, fans did have access to the show). The deal calls for Smackdown to air, which started on 11/16, on Thursday nights both 8-10 p.m. Eastern time, concurrently with UPN, and a replay showing from 11 p.m.-1 a.m., concurrently with the West Coast feed of UPN. Metal will start airing in December, on Saturday at 5 p.m. and a Sunday replay at 6 p.m. The network will also air an XFL game for ten weeks on Sunday nights during the season, along with two playoff games and

the first XFL championship game. The contract for Smackdown and Metal are for three-years, with the network having the option to renew it for an additional two years. The XFL contract is for two years. As part of the deal, the WWF will retain all commercial rights and sell the shows themselves, paying a percentage of the ad revenue back to HMG, Inc., almost like an infommercial. The situation with Score is similar to that of UPN, in that it is a struggling network available in 4.6 million Canadian homes, looking for Smackdown and WWF to give it an identity. HMG, Inc. paid an undisclosed rights fee for all three shows, and in return, the WWF spent \$1 million to purchase 222,223 shares of stock in HMGI (valued at \$4.50 each). The WWF in its contract has the option by the end of February of 2002 to purchase as much as ten percent of HMGI, which would be a total purchase price at the current prices of \$23.5 million. An interesting aspect to all this is that Score's agreement with the CRTC is that it can air only sports programming, and WWF, by its own product description as an action-adventure soap opera, doesn't fit into that category

-The XFL got lots of publicity with the announcement on 11/16 that they had hired Jesse Ventura as an announcer for the Saturday night NBC games of the week starting the first Saturday in February. It's the same question as to whether Ventura was using his public office for private gain, especially when Ventura again said that it was none of anyone's business what he was making for the job. Within football, it's been heavily criticized, but Ventura does have a football background, as he's assistant coach at a local high school and spent two years as a radio football announcer with the Tampa Bay Bucs and one year with the Minnesota Vikings, being the first pro wrestling announcer of that era to cross over into real sports (Jim Ross was the second, working Atlanta Falcons games in the 90s and one very controversial show doing amateur wrestling where the entire amateur wrestling world freaked out and his voice was actually removed and new commentary was put into the show before it aired). Originally, NBC was predicting the Saturday night XFL games to average a 5.0 rating, but they've downsized their predictions now to 4.5

-Almost as much controversy for the XFL as hiring Ventura was caused by Vince McMahon in an ESPN Magazine interview about the XFL where he noted that the cheerleaders would be part of the announcing crew and would be encouraged to date players (soap opera storylines?). The announcers are going to do the games from the stands next to the cheerleaders. McMahon said, "When the quarterback fumbles or the wide out drops a pass, and we know who he's dating, I want our reporters right back in her face on the sidelines demanding to know" (what they were doing the previous night)." After tons of criticism from that magazine quote, McMahon in a later interview, claimed he was only kidding when he made the first quote. The WWF is claiming to have sold 30,000 season tickets between the eight teams, which if that is correct, is 3,000 per team besides the flagship team in New York. It's probably a little too early to call that a bad sign, but just as certainly isn't a sign it's going to be an immediate success with the season opening just two-and-a-half months away. They claim 9,000 season tickets for the New York Hit Men, playing at Giants Stadium. They have projected in their budget, which has the league losing \$80 million in its first season (half of which will be absorbed by NBC and the other half by WWF), to sell 25,000 tickets per game at an average ticket price of \$25. As we've said numerous times, if they start okay in ratings and ticket sales at curiosity, and give the fun

product they are promising, they have a shot. If they start out great, the momentum alone would mean they'd have to have at least a decent product. If they start out with low ratings and poor ticket sales, they'd better have a tremendous product because the first impression is often the most lasting. It's not a bad gamble for NBC, because \$80 million is a drop in the bucket compared to major sports leagues annual rights fees. There is more major controversy regarding the XFL as it pertains to some of the West Coast NBC affiliates according to the 11/21 Electronic Media, particularly the Los Angeles and San Diego stations. NBC wants, during XFL season, to air the games live, which would be 5-8 p.m. on the West Coast, and then air Saturday Night Live at 8:30-10 p.m., instead of the traditional three-hour tape delay version for the West Coast at 11:30 p.m. This appears to be a gimmick to boost SNL ratings since the show would have prime time exposure on the West Coast, and then, even if XFL ratings don't do well, the NBC execs who proposed the deal can justify XFL by saying it improved the SNL ratings. The flip side is many of the local stations don't like the idea of giving up their 5-6:30 p.m. Saturday newscasts for an unproven product as well as their lucrative 7-8 p.m. programming. However, it'll be very difficult for those stations, if they choose not to carry XFL, to program three hours of Saturday night prime time for 12 weeks on this short a notice

~~~~~

~~~~~

## **December 11, 2000**

-Apparently both Dick Enberg and Bob Costas, who of NBC's biggest name sportscasters, have refused to work the XFL games. Costas has been a major critic of McMahon because of the content issue of wrestling for the past few years and pulled out of doing the 1991 Wrestlemania show he had agreed to do due to its exploiting the Persian Gulf War in its main event angle. Ross claimed the WWF has no interest in Torrie Wilson. He said he and Lawler were both interested in doing XFL games on TNN, but felt it was a longshot. Matt Vasgersian, who will handle the main games on NBC as play-by-play man with Jesse Ventura on Saturday nights, made a comment about not wanting to work with a Lawler type.

-Media Week ran a story on 12/4 regarding the XFL's lack of success in getting major corporate ads, putting the blame on Vince McMahon. The article gave Basil DeVito, who is heading the league, the advice "muzzle your boss," saying that McMahon's public statements about the league are keeping advertisers away from the product. Dan Rank, who handles buys for such biggies as Pepsi, Visa, General Electric and Frito-Lay said that McMahon's public comments "have scared us away. Our concern is content. They've got to put a muzzle on him. He's hurting their efforts to sell." Rank said he is taking a wait-and-see attitude, which is largely the current high profile advertiser opinion on the league. The comment in ESPN Magazine, with McMahon saying they would encourage the cheerleaders to date players and that they'd ask the cheerleaders what they were doing after a player they were dating blew a play was the specific statement people are pointing to. When that statement got such a negative reaction, McMahon claimed he meant it as a joke. Jeff Shapes, an XFL spokesman to avert the backlash said, "We're not going to encourage dating among cheerleaders and players, but if it happens, it happens. But the man was making a joke."

-XFL has about 50 percent of its ad inventory sold and there are big names including many of the companies that have pulled out of WWF Smackdown that are involved with the product. The current sales pitch is that the league will average an 11.0 rating per week, a 5.5 on Saturday night on NBC is the latest projection, and selling spots for \$150,000 per 30 which would buy three spots, one on UPN, one on TNN and one on NBC. There is also controversy because the XFL has pushed their strongest appeal as ages 12-24 males in its literature, but then Annheuser-Busch signed on. Now ad buyers are being told the shows will skew strongest among Males 18-34. It is speculated that the Annheuser Busch contract may have a clause that if the audience under 21 is too high of a percentage, they can bail out

~~~~~

~~~~~

### **December 18, 2000**

-Brian Bosworth got a try-out on 12/8 to do color commentary for the XFL

-Some Ross Report highlights. Ross and Lawler are still in the running to announce XFL games

~~~~~

~~~~~

### **December 25, 2000**

-Early projections by the WWF regarding the XFL are pretty positive. The estimates at this point are that the league will generate \$80 million in revenue on costs of \$113 million. The \$33 million in first year losses, which would be split 50/50 by WWF and NBC, are well under the original projections. Those figures are based on generating a combined 11.0 weekly rating for advertisers, who are paying an average of \$110,000 per 30 second spot airing three times. The three spots would air once on TNN, NBC and UPN in the same weekend and the idea is the combined three shows would average an estimated 2.5, 5.5 and 3.0 respectively. The league is projected to be profitable in the third season. This all depends on whether people buy tickets and they can generate those kind of numbers. The numbers are nowhere close to what the NFL gets, but are considerably better than most sports like baseball, basketball and hockey do on the networks and cable. Wall Street analysts say the XFL's success, or lack of success, is going to be the main determining factor of attitudes by investors in the WWF stock. Stock has dropped 30 percent over the past three months, but has come back a little over the past few weeks

-Phil Mushnick in the New York Post wrote a negative XFL column on 12/15 tying in wrestling. Now there is a valid point, and Street and Smith's Sports Business Journal did a tremendous series of articles on the XFL, largely positive, but pointing out the issue of injuries and insurance problems. Miki Yaras-Davis, the longtime director of benefits for the NFLPA called the XFL benefits in the event of injuries "scary," and it is compared with the NFL. However, Arena Football exists, and doesn't appear in any danger of folding soon although it isn't flourishing,

with a dangerous game with a high injury rate and the XFL benefits and salaries are far higher than AFL, and they are basically going to be using the same calibre of players who aren't good enough to make the NFL. There was a tie-in made to the Owen Hart death and continuing the show, although I just don't see how the two points can be brought together. Mushnick tried to tie in that the players will be disposable, replaceable stuntmen because of the XFL rules such as no fair catch. But those rules have been used in other leagues at various times. Pro football is inherently going to have an injury rate and a lot of turnover of the talent, as is every contact sport. All professional sports are going to have evils, and certainly strength sports and contact sports are going to have the drug issues. Guaranteed, like the NFL, there are going to be players on steroids, maybe more so because there won't be drug testing and it's a league comprised of marginal players (the USFL was a big-time drug league which many believe was due to that reason) and maybe less because the players aren't being paid as well thus can't afford as much help as an NFL counterpart. If you make the sport safer, a lot of the appeal is gone. That's not necessarily a wonderful thing to say, but it's the reality of professional contact sports business. As it pertains to the XFL, at this point we are only five weeks from the debut, and trying to guess what it will be and if it'll make it when we're so close to seeing it, is probably best left to reserve judgement on. The only thing for sure is that they are doing a great job of promoting it and it'll no doubt have the same problems that face all sports. After that, everything depends on the public buying it, and the presentation of it

~~~~~

January 15, 2001

-Some details, but not the monetary aspects, of Jesse Ventura's XFL contract were released by order of a Minnesota state agency ruling it should be public information. There really was nothing unusual in the contract, for 12 broadcasts (ten regular season and two playoff games on NBC). The contract does state that Ventura can never be referred to as Governor on broadcasts or in publicity for the XFL, so they can pretend to justify that they aren't using the office for marketing purposes

-A big positive step for the XFL is that several sports books in Vegas will be placing odds on the games starting with the first week of the season. Right now, the New York Hitmen and San Francisco Demons as far as ticket sales are the strongest teams in the league, and Birmingham is the weakest. The rest are in the middle. No deal has been finalized with Brian Bosworth as an announcer, but he had several try-outs and he appears to be under consideration. As it turns out, Ross & Lawler will be the "B" announcing team for the NBC prime time game on Saturday night. As things appear, there will be a national game which Matt Vasgersian & Ventura will do the announcing on NBC. There will be a secondary game as well, such as let's say the national game is New York vs. Orlando, they may have San Francisco vs. Chicago and the "B" team would call that game which would play in Northern California and the Midwest on the NBC stations. There are also plans to cut back-and-forth on each broadcast so the "B" teams will get some exposure during the "A" game in an attempt to get all the teams over

~~~~~

~~~~~

January 22, 2001

-The XFL broadcast team on UPN will consist of Craig Minervini doing play-by-play (some of you may remember him under the name Craig Des Georges as a WWF announcer in the 80s; he now works at the NBC affiliate in South Florida as a sports anchor); Bob Golic of Fox Sports Network doing color, Kip Lewis of the NBC affiliate in Cincinnati as a sideline reporter and Lee "Hawk" Reherman, who some of you may remember as the color guy on RollerJam and as Hawk on "American Gladiators," also as a sideline reporter. Reherman, who came across as one of those Ken Doll types who had the look but was the empty package, got mainly bad reviews on RollerJam

-XFL is going to start a major promotional campaign because with just a few weeks before the season openers, most of the markets have disappointing sales. The star teams look to be the New York/New Jersey Hit Men and San Francisco Demons, and you can expect NBC to televise their home games since both are at 18,000 season tickets. Orlando as of a few days ago was at 7,000, while Memphis, Los Angeles and Las Vegas were at 6,000, Chicago was at 5,000 and Birmingham is at 2,500 in an 80,000-seat stadium, so don't expect any nationally televised games from that city. In Chicago, for those of you who think weather isn't a factor, they are using the weather excuse, claiming that cold weather has kept people from buying tickets but are hopeful since the home opener isn't until the fourth week of the season, that they can garner interest in the early weeks to spur sales. The goal right now is to get the figure up to 10,000 in the lagging markets. The season is budgeted at 25,000 paid for an average home game. A Street & Smith's Sports Business Journal article which listed the formation of the XFL as the ninth biggest sports story of 2000, listed two major differences between this group and the failed USFL and WFL, the NBC ownership and strong television coverage on two networks, and the league having skeleton front offices in each market with most of the marketing being done by the WWF office, which lowers costs and with the league owning all eight franchises, the stronger ones can help prop up the weaker ones, which couldn't happen in a normal sports league. As we've mentioned before, ultimately, the success or failure is based on these numbers, and I wouldn't take any numbers seriously until the third or fourth week (early numbers will have the early curiosity, but by the third or fourth week, if the numbers are staying steady, increasing, or declining, it'll become obvious) and the important one is a 5.0 to 5.5 rating on NBC, and lesser importance is a 3.0 on UPN and a 2.5 on TNN. If NBC can come close to its projections, they'll be happy and they'll want to keep it going because it's still football and they got in with a minimal investment. The low ticket sales, if that's the case, will be only a nuisance to NBC. If NBC's ratings aren't at that level, they'll be nervous by the end of the first season and the TV business is very impatient with shows that bomb in the ratings

~~~~~  
~~~~~

January 29, 2001

-Business 2.0 had a long story about the WWF and the McMahons as it pertained to the XFL. Story was very pro, as in their understanding of teenagers would make the league a success and actually used a skeptical quote from me. Funniest thing in the new history of the WWF is that when the company was down in the late 90s, they now turned it around by hiring writers from the Conan O'Brien show to do their TV. Ultimate slap in the face of Russo, who is now erased completely from the WWF history books. Like him or not, Russo deserves at least some credit for the ascension of WWF (not as much as he took, as history has shown, but still deserves some) just as he deserves credit for the destruction of WCW

-Ross & Lawler adding the XFL gig is going to make both of their already tough schedules that much more taxing. For Ross, basically he's going to have to be on the road every Saturday for the XFL, fly the next morning to wherever Raw is, do Raw, then Smackdown, fly back, and do the jobs required of VP of Talent Relations Wednesday through Friday. It's going to make far more time constraints to that job, which includes all the payoffs, booking the matches and finishes for arena shows over the weekend, and negotiating contracts. While Lawler doesn't have the office work, he'll be doing three shows every week basically live (Smackdown is live to tape). Luckily, as the schedule has it, there are only one two PPV shows during the XFL season, which, especially Wrestlemania with all the pressure, will be hell weeks for both of them by the time Raw and Smackdown (for Lawler) come around, as once XFL is in the playoffs, there won't be a need for a "B" team game on NBC so I'm presuming the two are only doing ten regular season games starting on 2/3. The two did a practice game on Saturday night and then did the Rumble with no problem. But by Raw, both were noticeably showing signs of fatigue on the air

~~~~~  
~~~~~

February 5, 2001

-This month's Sales and Marketing Management Magazine has a cover story on Vince and the XFL. It's very pro success, which is fine because who knows. Not anything new in the story other than this breaker, which just amused me to no end--"The XFL promises to be rougher and raunchier--and more profitable--than the NFL." It may be raunchier and may even have a higher injury rate, but it won't have the quality of player to be tougher, although maybe rougher. But more profitable? That isn't the best bet

-ESPN's "Outside the Lines" ran a piece on the league that was said to have been very fair and balanced, pointing out that a lot of the talent in the league were a lot better quality of players than has been portrayed, but also noting that with the ownership with such deep pockets as WWF and NBC, they can be heavily criticized for not having a union and union benefits to players as well as noting that Vegas was putting lines up but skittish about it, not allowing anyone to bet more than \$1,000 on a game because with the quarterbacks making so little money, the belief is they would be easier to be bought off by gamblers who wanted to fix a game

-The latest example of why you shouldn't take anything Vince says seriously. He talks to hype and inflame and manipulate, but there is no seriousness in it. Just before hiring the hot blond as an announcer so she could strip in that XFL commercial, he did an interview in *Media Week*, which ironically came out the same day of the commercial, saying that he would never hire a woman to announce football. "Football is a man's game. Don't put a woman on the sidelines to tell me about football. It's offensive. She might know more about the game than I do. But quite frankly, when she tells me she does, I resent her all the more. She's never played the game

When a woman tells me about football, I just think it's bad programming." That article was very positive about the chances for the new league. I'd say the vast majority of articles and analysis that I've heard in recent weeks expect it to be a success even though again, nobody has actually seen the product

--Carol Grow, who did the XFL strip tease commercial, is a game shot host for E! on a show called "Search Party" which has the host, some B celebs and two viewers in exotic locations running obstacle courses and having treasure hunts for points.

~~~~~

## **February 12, 2001 [WEEK ONE]**

With fan and media reaction after its debut all across the board and a huge buzz leading to a monstrous television rating, the only way to review the debut of the XFL over the weekend is this. Despite what sports people may think and even hardcore fans of sports may think, the majority of people attend sporting events as well as wrestling events based on quality of hype. They enjoy themselves based on quality of atmosphere of the show, and going home happy (either the babyface prevailing at the end or the home team prevailing). If you have a good time, you want to go back, but to get the masses to attend, the masses have to also believe what they are attending is "hot" or in some ways "important" either in a mainstream way or in a niche way.

The show drew a 9.49 rating and 17 share, leading it to being easily the highest rated show on television for the night. NBC had drawn a 4.7 the previous Saturday night. Strongest metered markets were Las Vegas, at 17.7, which was where the first game was played, and Minneapolis at 14.9, which is the home city of the league's biggest drawing card, announcer Jesse Ventura. It also drew a 12.5 in Birmingham and an 11.4 in Memphis as the next two highest markets, both cities with franchises. New York, even with a franchise and in the market with the most media hype and with a team in the game, drew right at the national average with a 9.5, a number Smackdown often approaches. Weakest markets were Salt Lake City (6.5), Miami (7.1)

and Hartford (7.3). The rating was drawn by nothing but hype and if this league is successful, it will go a long way toward establishing Vince McMahon, for better or worse, mainstream, as the great sports promoter of our time. All four live venues drew more than 30,000 fans for the opening weekend including people legitimately turned away in Orlando (where they didn't open the upper deck so there were tens of thousands of seats unsold for which led to some bad p.r. locally from people turned away and a lot of negative pub about announcing a crowd of 36,000 as a sellout). The sustaining of a strong numbers will be based on continuation of that hype and nobody knows that field better than a good wrestling promoter, and people enjoying themselves watching the game, which has a lot to do with presentation and atmosphere. The USFL in the 80s on ABC debuted to a 14.2 rating and had markets which drew huge crowds early before dying and others that just died from the start but publicly resorted to papering to giving the illusion of early success. USFL started falling fast from there, and the league folded within a few years. By week ten, the USFL was down to a 4.2 before bottoming out at a 3.3 and losing prime time network coverage. It also should be noted that with all the TV stations and competition, that a 9.5 today is more impressive than a 14.2 in the 80s.

There is one very significant negative to those numbers, and that is the audience declined constantly through the show with one exception, with an audience drop of 37% during the show which is a staggering amount. The switch to the "B" game at 11 p.m. was the only part of the show which ever saw a very brief audience increase. No matter how that attempts to be spun, it is a strong negative in that tons of people were drawn in by the hype, but with more constantly turning it off than on, the show didn't deliver in the eyes of an awful lot of viewers, which indicates that next week's numbers may be way down. The good news is even the bottom audience when they pulled out of the boring Las Vegas-New York game (8.1) is far beyond what the league needs to attract to be a huge hit, let alone the mid-4's the network was doing in the time slot so far this season. It was far ahead of the 5.8 in the top 49 metered markets that the Pro Bowl did the next day or the 2.4 that the NHL All-Star game drew, which in both cases were the best quality players in the world on one stage as opposed to players not good enough in all but a very few cases of marginal players who fell through the cracks politically, to make even an NFL practice squad. The XFL opener destroyed the Pro Bowl in every demographic group.

The second game of the weekend, on UPN the next afternoon with San Francisco vs. Los Angeles, drew a 3.08 rating and 6 share. In the breakdown to get an 11.0 overall rating that advertisers were originally promised (which has since been scaled back to a 10.0 in some cases and maybe even a 9.0) was NBC at 5.5 (now scaled back to 4.5), UPN at 3.0 and TNN at 2.5. When the first week after all the hype does a 3.08, that 3.0 season average may be tough, although UPN will broadcast the rest of the games in prime time which will help only if the novelty factor had already worn off by Sunday. Even though that game was SF vs. LA, those weren't the strongest TV markets for the game, which did by far the best in Jacksonville (8.9), Memphis (6.2) and Norfolk (6.2) and bombed in Cincinnati (0.7) and Salt Lake City (0.2).

What is most interesting about the two shows is the demographics, and analyzing the league's future depends on which audience it is largely appealing to, the older more sports-oriented football audience, or the younger pro wrestling audience. The idea was they would mix both. The NBC game drew a pro wrestling audience, with the best demo being Males 12-17 (10.6 rating) followed by 25-34, very similar to the breakdown of Raw. One survey indicated that 75 percent of the viewing audience for the first night considered themselves WWF wrestling fans. The young adult male demo, according to NBC, drew its best rating for a Saturday night on that network since March 24, 1990 for "Golden Girls" and "Hunter." However, the second game's strongest audience was Males 35-49, which is the NFL prime demographic. If the wrestling audience was the one tuning in as a novelty, and despite the polls showing wrestling fans liked it on the internet, they were also the prime audience tuning out in droves as that game went on and that didn't watch the second game, its success may be more skewed toward what traditional sports fans want as opposed to what teenagers looking for instant gratification and pro wrestling antics want. The McMahon oriented announcing and sketches, which is what the teenage audience was expecting with the "Xtreme" tag word, didn't appear to hold that audiences interest as the rating dropped fairly significantly, mostly over the first 90 minutes (26% of the drop in audience was between 8:30 p.m. and 9:45 p.m., basically enough time to sample). The IJPN did not have a similar turnoff factor, as the audience stayed relatively steady in a game that ended on the last play, but also didn't draw that audience. None of the major advertisers that were going in leery about potential sleaziness of the product expressed some concern but were overall pleased. Tony Ponturo, VP of Sports and marketing for Anheuser-Busch told the New York Times they walked the line carefully, but expressed concern that they need to have a better quality of play and said, "I hope they're not thinking of how to shock people in the future."

The response from the media overall was very negative and often sad. Most of it was condescending, except for a lot of NBC and UPN affiliates, which have a financial stake in its success. A lot of high profile sportswriters showed they don't understand that sports fit into the entertainment world and why fans attend. Rules of games and how to cover them don't come down from Mount Olympus and it isn't blasphemy to change them. Sports have to be marketed well and hyped tremendously or they will fail on a professional level. Sports purists who see marketing as the enemy don't understand business economics and if a sport isn't run primarily based on business economics, whether it be the USFL or SMW or ECW, ultimately it will fail. There will be good and bad innovations and the trick is to ditch the ones that don't work and keep the ones that do to make it a strong television product. Phil Mushnick, in a blistering negative column on 2/5, did make one very strong point that may have been the saddest of all, seeing network affiliate newscasts pander to creating fake news stories to hype their own television shows and attempt to get them across as news. Both the Los Angeles and New York UPN affiliates basically have a rule to do at least one positive WWF piece for every Thursday night newscast. Economically, it makes sense to try and keep the wrestling audience on the station's biggest prime time night of the week, but from a pure news standpoint, it is the equivalent of prostitution. Jay Mariotti of the Chicago Sun-Times had a valid point about the announcing sellouts in stadiums with an empty upper deck. But much of the criticism was

unfounded. The players were often more experienced than those in NFL Europe and better than those in Canada and the Arena league. The crowds were strong. There were flaws and much of the criticism of the league, such as 'gratuitous violence' and tawdry titillation" (Leonard Shapiro, Washington Post) may have been inspired by McMahon's hyping of the product and were valid points to criticize before the first game because that is how the product was being sold, but just as the product didn't deliver on that hype, once a game is played, it can't be criticized negatively for things hyped that really weren't in the product, except when bringing up the point it didn't deliver on the hype in those aspects. You can't knock the product delivered as sleazy only because the advertising leading up to it was. There was an unfortunate media predisposed to hate this because of McMahon's shady reputation and what he was selling to draw the first rating and criticism of both McMahon and how he sold to get the rating is valid criticism, but not because it was a league owned by a wrestling promoter, with that inherent sportswriter mindset that pro wrestling is evil because it is entertainment and not pure sport.

People who dismiss the XFL making it based on quality of play, or that it's first week success shows how stupid fans are for buying second-rate football in such great numbers, don't understand the business of sports. It is not the great game or the great fight that draws, it's the hyping of that event and creating an aura around it. This was football, a popular sport, hyped well, with good marketing around a new premise. People bought out of curiosity, because nobody knew what it was going to be. There wasn't one guy on the field who even made an NFL roster this past season, but it still greatly outdrew a game featuring the elite players in the NFL, the Pro Bowl, held the next day, and in many demos, beat the season opener of Monday night football. USFL also started strong as a TV product and didn't make it, but didn't have the media and fan buzz like this because it was selling football as opposed to selling entertainment wrapped around a football game. After failing big with the Olympics, and with the disappointment of the NBA's falling ratings post-Michael, Dick Ebersol took the risk and saved McMahon, who would not have had anywhere this level of success or hype or been taken seriously enough with this venture by the media to hate it so much to create the curiosity without NBC being behind the product and likely would have failed with just TNN and UPN. People who 'dismiss it with the weather argument (people won't go to watch football in the February cold in Chicago) are right if there is no hype or buzz, but people will watch a hot product in the snow without giving it a second thought as NFL sellouts in snowstorms for decades have proven or as people camping out in the rain for days for hot concert tickets have shown. Dismissing it with the Saturday night argument (males of the age they are trying to attract are out on Saturday nights) is even worse. Great television shows have drawn huge ratings on Saturday nights in the past. While nobody expects the numbers to stay at the level of the debut, a 4.5 average for the season hardly looks out of the question. It doesn't matter when something you want to see is on, you find it and watch it. When WWF was drawing a huge childrens rating and on Dog show night or tennis night they aired from 11 p.m. to 1 a.m., while the audience dropped from normal levels, they still did huge even though kids had school the next day and people had to work the next morning. Logically, the numbers in that time period should have been small, just as when New Japan airs a big match at 3:15 a.m. nobody should watch more than a hash-marks' worth, but if it's something people really want to see, they find a way to see it. If people grow to not like

it and the buzz dies, it can fail, and quickly. But the press it's going to get out of this rating won't allow this to happen so quickly in a society that grabs fads like Survivor and makes them larger than life immediately and the buzz alone takes on a life of its own. When WWF runs Raw in California, the live show starts on a Monday at 4:30 p.m., in the middle of rush hour traffic. But if the product is hot, they still sell all the tickets immediately. If this is a cold product in five weeks, all those negative factors could become important. If it's hot and people have fun, they are going to watch whenever it's on and brave almost any elements to be part of the atmosphere. One thing anyone who has followed wrestling has learned that if there is something people don't want to see, there is almost nothing you can do and no amount of advertising and exposure can be spent (see WCW, 2000) to make them see it what they don't like. And if it's something people badly want to see, the weather won't keep them away. For a marginal product, the weather is an element, just as when wrestling is marginal, bad weather can hurt a house, but when wrestling is on fire, you can, and usually do, sellout in a blizzard (WCW's first Nitro in St. Louis at the TWA Dome in 1998 drew \$914,000 on one of the worst weather days in years in that city).

The XFL debut proved to be exactly nothing all that extreme. It was neither the extremely bad football its critics were expecting. Nor was it extremely sexual or violent or outrageous, as Vince McMahon had promised. It was an innovative approach to televising football and stretched the boundaries of some things by football standards by implementing wrestling promotional devices. Even with the rule modifications, it simply looked like football with slight modifications such as no coin toss (didn't miss it) and no kicking extra points (less predictable). Sponsors on the fence had to be happy, not just with the rating it delivered and fan enthusiasm to the product, but that it wasn't as sleazy as feared, and that the delay made almost all the swearing disappear, something the NFL can't claim. They had to be happy it wasn't scripted, at least on the field, although that had been clear for some time. It wasn't Rollerball in pads and nobody got paralyzed on the fair catch rule (the fine print of it makes it almost impossible to have that killer hit that the NFL allows fair catches because the receiver gets a five yard zone the defends can't enter until he catches, making a thirty yard sprint into a fixed target steady to catch a punt which is dangerous as all very difficult). There was more emphasis on showing the cheerleaders to be sure, but there were no strip teasers or shower scenes and nobody asked one of them about their sex lives with the players. It wasn't outrageous ECW high spots built into football plays. The mics everywhere did make it a slightly different experience as a novelty but long-run I'm not sure it's as big a deal as it was made out to be. Having announcers talk to the players as they were running on the field didn't seem to add a thing as nobody had a lot to say. Interviewing a player after a fumble is going to lead to the inevitable hot tempered player or coach getting physical with a sideline reporter, but I think McMahon expects that and wants the publicity that will bring. The halftime locker room scene in both dressing rooms the first night was a total dud. Another week like that and scripting will start creeping into the game because no doubt there will be strong encouragement to the coaches to do a hell of a lot more with the players during the half. If that doesn't work, the next step is scripting. The argument would be, that the scripting isn't actually part of the game itself. And then what about the cameras picking up coaches talking about doing a fake field goal later in the series. How hard will it be for that

information to get to the other team? At that point, you have perverted the sport itself beyond rule changes.

There really was nothing in the secondary game on Saturday night to greatly cross the line, but some of Jerry Lawler's comments on the cheerleaders (wide receivers and tight ends) probably stretched the borders to people who have never watched wrestling, but it was still tame compared to him shrieking about puppies on Raw. But comments like that led to Lawler and Jim Ross being excoriated in USA Today by Rudy Martzke, being given an "F" and "D-" for their performance, and ironically Martzke apparently was so predisposed to hate the announcers because they were wrestling announcers that he didn't realize they were by far the best crew of the three. The announcers were clearly encouraged to at times rip the teams, but most badly came across as shills, as they never questioned the rules and were pumping up the league to the point it became almost nauseating. Most were not good. With Jesse Ventura coming across early like a 1980s pro wrestling announcer and Ross and Lawler coming across like a pair of 2001 wrestling announcers, it did feel like listening to good wrestling announcers do football as if it was wrestling, or in the case of Bosworth, a Steve McMichael calibre wrestling announcer doing football. Still, to many, like sometimes on a good night of Raw, Ross came across as the star of the show, more than any of the anonymous players, the first night.

The "A" game, with the New York Hitmen vs. Las Vegas Outlaws wasn't that exciting of a game. The different camera angles, the mic'ing of players and the nicknames of some players on their jerseys did make it seem like a movie about football more than a football game on television. It was new, but it was still a bad game. There were mixed reviews on Ventura and Matt Vasgersian. Maybe mixed is even too kind. Ventura was as I would have figured, not particularly well prepared, great delivery, but overall he had a boring game to call and he seemed to lose his enthusiasm by the third quarter and did not come close to living up to the hype. Vasgersian was nowhere near the calibre of the announcers the NFL has, but they also were working their second game (they did a practice game two weeks ago). But Ventura's got the name, the delivery, and the charm as well as huge regional drawing power, which makes him able to overcome his faults, but also doesn't respond well to criticism, which will no doubt become a factor if he doesn't improve on his weaknesses. Ventura was a total pro's pro next to Brian Bosworth, who was nothing short of an annoying shill as he kept over and over repeating company tag lines like a bad pro wrestling announcer who tries to sell you on the idea that every Monday night is the greatest Monday night of all-time to the point you can't believe a word he says. Carol Grow and Dara Torres, who only proved that at least when it came to those two, Vince was right in that interview where he said he didn't want any women on the broadcast team, then went and hired two who came across as sore thumbs.

Ross and Lawler had a far more exciting game to call on Saturday, but with the original plan of broadcasting it into Chicago and Orlando being changed and the plan being just to use the game for cutaways (right now it's uncertain if the "B" team games will go into the local markets

or, like last night, the entire country will see the “A” team game and ironically the best team they have may get very little air time), it was covered without all the trappings of the other game such as cameras everywhere. It was a good move, but a risky one, to pull away from a dull game with the major league crew early in the fourth quarter and all the advertised gimmicks and go to the closer game, something most sports wouldn’t do under the same circumstances. Instead of a different look, that game just looked like watching football, and it was also the time frame with the smallest tune-out factor, dropping two percent in audience with the switch to old-time as opposed to drops of five to 16 percent every half hour with futuristic coverage, but it was that coverage that was part of the reason for the big rating to begin with. Both Sunday games, with far less viewers, went down to the wire. But even with a good game, Ross, at the wrestling hyper level as opposed to what you’d expect from football at the beginning, seemed like he was commentating on wrestling by over-pushing things. By the end, Ross’ descriptive commentary made me enjoy the game a lot. An exciting game, whether it’s at the high school level or the NFL level, is still an exciting game once they’ve got you watching. But I don’t think it was just game quality that made the pro wrestling announcing team stand out greatly when the NBC show was over. Perhaps the XFL’s first real quarterback controversy is going to be when the guys hired on as the “B” team announcers are so far superior to the “A” team featuring the league’s most famous employee, Ventura. But like a midcarder the company has no plans for outworking a main eventer with a huge name and who draws ratings, don’t expect any change to be made.

It appeared the crowd was having fun. The larger than expected opening crowds as well as the rating showed the hype had worked. Hying something big enough can make something seem important enough to overcome bad product delivery at the beginning, but not consistently. One would expect the ratings to drop because the hype for week one was enormous, and the key to this league is the ratings, mostly the NBC number. My feeling coming out of it was positive since the fans in the stands had the attitude they were going to enjoy it no matter what (one of the big differences in WWF and WCW crowds now is that single factor, WWF fans go in with the idea they are going to have fun and WCW fans go in with the idea for the most part that they aren’t which means the wrestlers have to perform much better to get the crowd into the show) but week four will start telling the real story.

But then the secondary questions come up. One thing that will get annoying is the constant talk, trying to romanticize the fact the players are being paid relatively little, as if they’re doing it for the love of the game. They’re doing it because it’s a better job in most cases than the one they have, or they’re doing it hopeful it’s a springboard to the NFL. You will almost never, if ever, hear one player turn down an offer by an NFL over being a star in the XFL, no matter how many “they’re playing because they love the game” con speeches trying to make heroes of how little the guys are guaranteed you constantly heard, not to say that approach isn’t the right approach. Paul Heyman sold ECW fans that angle for years, and was convincing enough that some of the wrestlers themselves bought it. Even before the first game, the ECW analogy had been used by many regarding the league long-term. Clearly, with its ripping on the much larger NFL for being



the corporate league (ECW ripping on WCW and WWF for being corporate wrestling and romanticizing itself with “no corporate sponsors”) and trying to sell the passion of people not making much money playing because of this love that doesn’t exist in the NFL (see above), rather than the real reason, which in most cases is chasing the NFL dream of big money. The big stars they cultivate will wind up in the NFL unless, the NFL considers them physically not equipped (the too small wrestlers who are great workers in ECW that got over are sometimes hit with when stars in other companies explain why they can’t be real stars). The really successful innovations in production will end up in the NFL and ultimately they’ll be doing that league a big favor in the long run (three-point play in the old ABA, which is now a staple at almost every level of basketball). If they create a true superstar, they’ve only got him for one year unless they change the salary structure with success, which is why the emphasis won’t be on creating superstars as much as creating team loyalty, the Heyman approach. Heyman ultimately, at least this week, looks like he failed in the long-term with this approach. But the reasons, running out of money, is not something either the WWF or NBC have to worry about, and unlike Heyman who felt he needed it for his niche to be different, this league can survive with a sponsor friendly product. When the economics weren’t nearly as one-sided years ago when Japan was still only a three-party race, the great in-ring quality of All Japan had times when it was outdrawn by the garbage wrestling of FMW.

Rock, Austin and Undertaker did interviews cut into the shows and Vince McMahon gave a babyface speech like he was announcer Vince introducing Steve Austin at Raw, but there weren’t a ton of wrestling references. But it was so clearly a wrestling promoter trying to do pro football with the overselling announcers, trying to get over marginal hits as being killer and selling the rules and the romanticism of the players not being well paid but they get bonus checks for winning (players in real sports get bonuses for winning as well, as getting into the playoffs increases the salaries and each round of the playoffs they get into increases it as well, far more than \$2,500 per game, but you don’t hear the announcers spending any time pointing that out because to do so would be annoying). They certainly promoted the gambling angle, as promised, even asking fans in the stands if they bet on games (well, it was Vegas and it is legal there). There is a dark side to this strong gambling angle of encouraging it. Late in the week, one very well connected person told me exactly where and what bets certain people close to the product were making. This is not the insinuation of an actual fix but simply of the fact that in the first week in a game with unknown teams, certain people have knowledge, and can use it for economic gain, which in the long run may not be a good thing. But if people too close to the product start playing that game, problems can arise with the credibility, particularly in a sport where if a gambler has a quarterback in his pocket, they can make very safe bets, and suddenly, it is not worked entertainment, but fixed sport. Sports that have worked endlessly to keep everyone involved away from gambling still have occasional fixes. There is a reason baseball and football shy away publicly from the gambling angle and why players are punished so severely if they bet on sports. A quarterback making \$45,000 per year is a far easier target to throw a key interception than one making \$4.5 million which is the main reason Vegas placed a \$1,000 maximum on bets, but a clever gambler can get around that to a degree. But again, like the injury angle, the fact is, if that was a strong issue, college players who are younger are more

apt targets since far more money is bet on that game. The injury and insurance concerns with the game before it started, while very real issues, still would put this league ahead of the more dangerous indoor Arena league play, with players who in that league are earning far less money.

Some positives and negatives:

Positive - Cameras on the field and micing of players and hearing the coaches tell the quarterbacks the play before the play made the game more interesting as a novelty, but by the end of the game, the novelty started to wear out when you had seen enough winded players having nothing to say and annoyed coaches wanting the camera out of their faces.

Negative - They kept on that camera in the first game too long into the plays, so the camera work of plays that went downfield quickly and passes came across like WCW production.

Positive - The quicker time clock between plays made for what came across as a faster paced game, even though it still lasted more than three hours.

Negative - With the announcers either not knowing, or not saying, when plays were called what to look out for, it came across as if they were holding back important info before the play. The announcers not explaining what the plays were made me feel like I was watching WCW announcers not explain angles.

Positive - Fans came to have a good time, and even in a bad game the atmosphere came across as people wanting to have fun.

Negative - Fans came across as total morons. Really. This was as bad as those segments WCW used to do trying to get fans to say DDP was going to beat Goldberg.

Positive - Nobody asked a cheerleader any questions about the game or who she was dating.

Negative - Players trying to do wrestling interviews and that horrible 1980s wrestling pre-taped vignette of the player and the cheerleader. I was expecting Brutus the Barber to come out with giant scissors.

(Assorted Notes)

-The XFL will start airing in Japan on J Sky Sports in March. There are three things that make it newsworthy in Japan. The ownership by the WWF, tying in the Japanese media's longstanding coverage of pro wrestling in the sports pages and the fact the Memphis team has a Japanese player.

-Figure this. On 2/5, after the XFL's first weekend was such a major business success with all the hype and strong ratings, the stock fell from \$19.40 to \$17.81 per share, and at press time was \$16.98.

## **February 19, 2001 [WEEK TWO]**

The XFL went from television's penthouse to its outhouse in record time as ratings plummeted on NBC to the point the entire league is already being labeled, just two weeks in, a major failure in most circles.

It got so bad, that on 2/12, just eight days after the initial ratings for opening night came in at well above the levels even the most optimistic in NBC expected, that emergency meetings were held after an embarrassing show with a tremendous finish went 45 minutes long due to an alleged generator problem, an injury, and a double overtime.

The prime time rating fell from a 9.49 to a 4.4 on NBC (I believe with the 45 minutes past prime time that actually did better with the close game in double overtime, the final NBC number was a 4.6), going from first place to last place in the prime time race over the course of one week. At press time we don't have the UPN final number, but it appears to be in the 2.0 range as the overnights dropped 33% (4.2 to 2.8) and last week did a 3.08, again putting it in last place among all network programming and even dueling even head-to-head with Sunday Night Heat. The TNN debut, heavily hyped virtually 24/7 on the network, finished with a 2.4 (a scary figure since RollerJam, with one-fiftieth the amount of promotion, debuted on the same network at 1.7). That would combine give them 8.8 to 9.0 ratings points, already below the 10.0 the XFL had promised advertisers as the season average, basically if they were going to consistently decline, they are at week six or seven level in week two.

There was already much opposition internally at NBC Sports to going into bed with Vince McMahon due to his reputation, so much so that the bigwigs from NBC Sports like the "A" level announcers steered clear of the XFL, leaving the announcing in the hands of basically pro wrestling announcers and a rank amateur who was a cult figures from another era in Brian Bosworth. When the second game forced Saturday Night Live's biggest show of the year, with Jennifer Lopez as host, to start at 12:15 a.m. on the East Coast, causing the expected near 10 rating for the show to come in at a 6.3, its lowest rating of the year, Executive Producer Lorne Michaels was furious. It was reported in many circles including the New York Times that had Lopez not been there and so much promotion been done for the show, he was willing to shut the show down and tell NBC to just put a taped show in its place. It should be noted that Michaels should have been pleased the previous week as the XFL strong opening week combined with showing a tape of the SNL with The Rock had drawn a tremendous number for a rerun, the previous week.

Jeff Zucker, the President of NBC Entertainment said to the New York Times the next day that “we are absolutely not abandoning the XFL,” and that “We are absolutely committed to it for the full season.” That last statement was scary, because it seemed to indicate the three year commitment of two weeks ago is now down to 11 more weeks. With the announcers being excoriated and the product being viewed as a laughing stock almost universally, it has led to significant drops in the public opinion, particularly among women, in Minnesota over Jesse Ventura’s involvement. But even with Ventura being his trademark ill-prepared, he was hardly the embarrassment that Bosworth is in the same role on the UPN game or that Jerry Lawler was on the back-up game where Lawler clearly had no clue how to announce a football game and hardly the knowledge enough to analyze even though he is a huge football fan, coming across reminiscent of Bobby Heenan did a decade ago when Vince made the call to have him co-announce the World Bodybuilding Championship PPV fiasco. But most important as it pertained by both Ventura and Lawler, hired for their entertainment ability, is neither was the slightest bit entertaining or funny. Matt Vasgersian, who had become a sympathetic media figure as last week went on, even though his first week performance was bad, but he had the background of being a baseball announcer and was being replaced by a wrestling announcer (Jim Ross). In the nearly one quarter that aired, Vasgersian, without Vince McMahon in his ear, was much improved.

The second week was a comedy of errors that actually started the previous night with The Rock on Jay Leno. Johnson, who hasn’t come across embarrassing in public since his ascension to stardom, on the show didn’t know the nickname of the Chicago team in the game he was on the show to plug (Enforcers) the next day, which became painfully obvious. Brought in to give the huge wrestling audience that watched the NBC game the first week, but not the UPN game, some familiarity, Rock did an embarrassing diatribe in Rock-speak telling the suits in the NFL to stick it up their candy asses while there was a sparse crowd in the background, explained on television as being late arriving. Rock also, despite his own background as a college player and in his day was probably equivalent a player as some of the marginal guys in the league, had little to say when brought in at halftime, praising the guys for playing for “peanuts.” At halftime, in the middle of the sentence, he paused and did his trademark, “they’re chanting the Rock’s name,” and you really didn’t hear a chant at all, although there was a decipherable murmur. They switched to a quick crowd shot, which, instead of seeing people chant the Rock’s name, they were laughing.

Stephanie McMahon, no longer a Helmsley, did the attempt at a WWF angle that so was poor and unintentionally hilarious, it seemed right out of the WCW playbook. First, Ventura told us that Jamie Milanovich, the wife of the back-up quarterback for the Los Angeles Xtreme, was five days overdue, and was in the stands watching her husband, and the great moment could occur at any moment. They cut to Stephanie (who replaced the even worse Dara Tones and Carol Grow as the female voice in the stands), reverting back her whitebread early 1999 wrestling

character, standing under a helicopter, ready to transport Jamie to the hospital in the event she goes into labor. Stephanie said she was four days overdue. Later in the show, when Milanovich himself was being interviewed about the same subject, and blew it off since the game was on and he was concentrating on that, we found out that Jamie was actually at home.

Then there was the generator blow-out, causing NBC to switch to Vasgersian and Lawler in Orlando for the Rage against the San Francisco Demons for 33 minutes while the Coliseum filled up. At least nobody from the XFL tried to insinuate the problem was due to sabotage from the NFL (remember Eric Bischoff during a power failure on Nitro a few years ago). The credibility started falling when the announcers talked about the sellout last week in Orlando when they never opened the upper deck and claimed a similar sized crowd for the second game. They were actually down 11,500 to 25,049--which did keep the league's streak of every game drawing at least 25,000 although no word on paid vs. paper and how accurate the announced crowds were. The New York media was reporting that in the Hitmen opener the next night which drew 35,000, that there were 5,000 to 10,000 in the stands by late in the game as people were leaving in droves in what was actually a close game for the home opener. In Los Angeles, credibility was stretched when the Xtreme two days before the game announced it was sold out and people were laughing because they claimed 38,000 tickets sold in a 95,000 seat stadium was a sellout. Then, at game time, the Coliseum was sparsely filled, although by the time they came back from the generator problem, they had a healthy enough crowd to look decent for television and announced the number at a believable 35,813.

Throughout the weekend, the 35-second play clock, an idea on paper that seemed to work the first week to speed up the game, made the game come off amateurish. There were far too many delay of game penalties and a few untimely time outs all weekend called because teams couldn't get the play off in time. The NBC emergency meeting to speed up the game by changing the rules, keeping the game clock running during change of possessions and starting the clock faster on incomplete passes as well as starting the games themselves five minutes earlier. But it only adds to the league's lack of sports credibility when a league takes the pro wrestling approach of changing the rules as they go along.

Ross was going to be destroyed in the media for announcing no matter what, between his pro wrestling delivery, the fact McMahon wants the announcers to be shills praising the XFL ad nauseam (how many times do we hear that there's no fair catches, like every single punt in every single game), and killing Ventura's credibility with his constant knocking of the NFL when there was not one way, not entertainment, not quality of play, nor production, announcing or anything, that this product was anywhere close to the NFL. After the knocks by the wrestling announcers, when talking about the critics and Dick Butkus was brought in for an interview, Butkus, taking the football people approach, claimed that he couldn't understand why the critics were so harsh because he said nobody ever claimed they would be as good as the NFL. At another point, Ventura, trying to get over the oft-repeated but rarely lived up to tag of smash-

mouth football, made himself look stupid by saying how the quarterback isn't allowed to slide and how they don't have pansy quarterbacks who avoid a hit in the XFL. Late in the game, when a quarterback slid to avoid a hit, Ventura sheepishly said they made him out to be a liar.

There were so many mistakes in approach this week it was scary. First off, McMahon drew the huge first week audience based mainly on teenagers and young adults who are WWF fans--75 percent of the first night audience called themselves WWF fans. He promised the WWF mixed with football, but then didn't provide them with WWF quality of entertainment and thus the tune-out factor as the first game went on was huge, which was the ominous sign even when the first numbers came in strong. Instead of increasing the outside the field entertainment, perhaps spooked by the critics (to the point that while insinuating the most violent football in ads before the season started, they acquiesced to potential knocking of the league by not airing any clips of an apparently brutal injury), they largely eliminated it, which should have, but didn't please the critics of the first game, but this league has no prayer to make it unless it draws non-football fans. They had less cheerleader shots than the first week. They made fewer gambling references, and didn't interview half drunk fans in the stands about whether they had bet on the game. In a sense, while all that was probably good, by presenting nothing but a bad football game with generally bad announcing that everyone was considering a bad joke, that isn't a recipe for success. There was only one pro wrestling interview, by Jamaal Dupps, giving himself the stage name of "Death Blow," and he came off as that embarrassing indie level wrestler promo. There was an 11-minute delay when Octavious Bishop broke his leg in two places, which they decided against airing a clip of the injury. They did have Kat strip down to a teeny bikini at the Memphis game.

A huge mistake they made was playing up how little the players were earning, which made it come off like a cheap game show, and giving their regular occupations as opposed to hyping their athletic background. People watch pro sports to see larger than life stars who can do things that they themselves can't do and have special talents. The strategy of making these every day guys, not making much money, made it seem even more like semi-pro ball, like the downplaying of actual NFL credentials that many of the players actually have in favor of saying they were roofers and algebra teachers who went to training camp without getting paid any money, which only made the league look even more minor league.

The first week, the WWF had its solace. They could say the criticism didn't matter, use the line that bad publicity is good publicity, and claim the critics were eggheads out of touch with the public, using the all important ratings as their holy grail. The second week, the holy grail that determines everything, seemed to indicate the critics, who largely predicted the big drop, knew more than those in control of the destiny of the league, which is a hard pill to swallow for a company used to using ratings--we appeal to the public--not the critics, as their justification.

Can it be saved? I don't know. It seems the big drop the second week indicated that the prime first week audience, the wrestling fans, weren't satisfied. If it doesn't drop from this level, it would be considered not a failure, but not a success either, but USFL history shows the drop doesn't end after the first week. Trying to attract the wrestling audience will alienate the football audience and be a black eye for the network which after one week of declining numbers was already in an emergency meeting about the project. But that is McMahon and the WWF's expertise and the hail Mary to save it, The plan seems to be to start building the personalities, highlighting a few guys on each team to try and get them over with the "common man" theme, and it is expected there will be more changes in how the games will be presented. Without it, as the next USFL, you can learn from history. Opened at 14.2, a 7.4 by the second week, and being down to 3.3 by the end of the first season.

More important from a wrestling standpoint, but what does success or failure mean for McMahon's core product? Success would enable Vince McMahon to be viewed as the greatest sports promoter of our time. He bucked the trend of falling sports ratings with a minor league product and marketed it to the public, which bought it. Failure. Vince becomes the guy who is good at promoting wrestling, who was a failure when he left his familiar world and tried to play in the so-called real world. For McMahon, how he is viewed by the movers and shakers of this world, who don't give a rat's ass about pro wrestling other than this quirky entertainment form that is around but is this fad thing they expect will go away, but certainly care about football, will be determined by this venture. And psychologically, what are the other effects of failure. Of course, like Antonio Inoki, Vince McMahon will always come back in this world. If he's knocked down. He'll get up. But McMahon and the WWF's most loyal followers are not used to also being knocked down. Paul Heyman managed to create a scapegoat in TNN to keep his loyal followers from having to accept the fact that, financially, no matter how much noise 1,400 people could make in a small building, the product didn't fly economically. The realization that, if this goes down hard, that by their own standards--the ratings--that McMahon's critics this time had the last laugh in his most high profile venture of his life, will be a tough pill for many people to swallow.

(Assorted Notes)

-CNBC did an interview with Linda McMahon about the XFL. Without saying so, there is an interesting dichotomy to the XFL. As noted from the crowd shots in Vegas and the "two beers for every boy" lines in the newspaper, the beer consumption at the Orlando game was the most of any event ever in the stadium, despite the stadium having an empty upper deck.

-The actual number of viewers for the first XFL game on NBC was 15.7 million, not the 14.1 million number we listed, and the combined of the two games was 20.3 million. There actually was some sort of a stat of 54 million people watching at least one minute of the game which is where they used that 54 million stat on WWF promotions, which is realistically a totally bogus number no matter how one figures things. If a 9.5 rating were to equal 54 million people, than a 40 rating that the Super Bowl drew would equal 227 million people, which is most of the

population of the entire country, and I'm sorry, but if Friends drew 27 million people and was one of the highest rated shows of last week, how does XFL, at No. 30, have twice as many viewers by any form of math?.

-There was an article regarding the stock prices dropping after such a successful business first weekend of the XFL. Reasons given, besides the buy on rumor, sell on news, is that people want to get out because critics labeled the XFL opening a bomb, and because ratings for the WWF core product are going down combined with a softening ad market makes any television and radio vehicle tough for growth. There is also the thought that WWF management is being spread too thin and it has weakened the core business. There is validity in that.

-Saturday Night Live after the first XFL game, which was the third showing of the program hosted by Rock, drew a 7.4 rating, which is a tremendous number for a first run episode of the show, let alone a third replay.

-It was reported that Matt Vasgersian in the "A" game last week had McMahon in his ear the entire game, and in particular, whenever Vasgersian would start talking about a player's NFL background, McMahon started screaming at him not to. The feeling seems to be that since most of the players who had NFL backgrounds with a few exceptions, were failures at that level, that why bring it up. It was said that McMahon had already made the decision to go with Ross by the end of the night.

### **February 26, 2001 [WEEK THREE]**

(As covered in the February 26, 2001 issue of the WON)

Not only was the huge ratings drop between week one and week two bad news for both NBC and the WWF in the XFL project, but even worse news is examining the demographics.

The NBC rating dropped from a 9.49 rating to a 4.58 the second week, a drop of 52 percent. But more significant is that the audience itself dropped from 15.1 million to 6.5 million, a 57 percent drop due to average viewership per household dropping from 1.61 to 1.38. It dropped again for the third week another 27 percent to 4.78 million. For the third week of play, which was the best overall broadcast to date, the show fell again to what appears to be a national 3.2 on NBC (down 30%--the actual nationals didn't come out until after press time due to the President's Day holiday but the fast nationals, which are usually within a tenth of a point either way, came in at this level) and an overnight rating (nationals nor fast nationals not yet in) of 2.0 on UPN (down 40% from 2.8 last week), indicating final numbers probably around a 1.4 or 1.5, a full point lower than UPN averages in prime time. The games were both deeply entrenched in last place on both nights among all network programming. Figuring TNN would also show a drop since considerably less promotional hype went into their second game, XFL will be hovering at about 6.0 to 6.2 total national ratings points for the week, as much as 40% below what they promised advertisers.



If there was good news, it's that the ratings indicated this may be the last big drop. The NBC game on 2/17 stayed steady the entire first half, dropped a little in the second half before picking up strong for the finish which again came down to the last play, the first game where the ending of the game drew a bigger audience than the beginning. The UPN game on the overnights opened at 1.8 and generally showed growth, finishing at a 2.4 for another game which the outcome was in doubt literally until the last minute. While the frequency of games decided on the last play should be suspicious given it's a WWF-owned league, the reality is that these games are usually low scoring, which is not what the league would like, but low scoring games by their very nature are going to have the outcome in doubt until late in the game.

For comparison purposes, Nitro averages 1.59 viewers per household and Raw averages 1.67 viewers per household. From an advertiser standpoint, the audience for the second week turned out to be totally different than projected and desired based on the largely youth oriented commercials. The idea that Vince McMahon is the king of attracting Males 12-24 which was the prime audience expected, and delivered, the first week as the show did its best rating, a 10.6, among teenage boys. That audience dropped 70 percent to a 3.1 and the 18-24 males dropped 71 percent by the second week, leaving the strongest demo for the XFL being Men above the age of 49.

TNN, which heavily advertised on WWF programming and has been as a network heavily targeting younger viewers with the "We've got pop" campaign, did its best numbers on its debut show among 18-24 males but realistically, both the UPN and TNN shows were similar numbers for all male age groups, not skewing either young or old. The scary part of the second week NBC rating and the 12-24 Male demographics is that there is a slight misleadingly high aspect of the second week because of a huge audience overall, and in that demo, which turned in at 11:30 p.m. for the final quarter hour because of Saturday Night Live and Jennifer Lopez. The rating opened at 5.0 and fell to 4.1 at 10 p.m., which as the game got close, picked up to 4.3. There was growth after 11 p.m., likely people waiting for the newscast and SNL, and the final quarter hour at 6.6, even with the double overtime great finish, still has to be considered mainly the audience tuning in to see SNL. The prime time rating was a 4.39.

The final UPN number for the second week was a 2.09, a 32 percent drop from the debut the previous week. TNN drew a 2.40 rating, which is a very strong number for that network. That translates into 1.87 national ratings points, meaning the combination of the three shows the second week delivered an 8.54 national rating, already well below the 10.0 number sponsors were promised. The first week delivered 12.57 total national ratings points so at this point they are after three weeks already 10% behind what they promised advertisers even with the huge open. If there are positives to be looked at, it was that the TNN game steadily grew last week and the audience for the UPN game was an umbrella effect (grew in the first half, fell off after halftime and ending up where it started). The TNN strongest demo was the target Males 18-24 (2.2) but also 50-54 (2.2) but only did a 1.1 among teenagers. UPN also only did a 1.1 among teenagers with the strongest being 25-34 year old men (2.2).

(Assorted Notes)

-The XFL game on week three (Los Angeles vs. Las Vegas) was easily the best broadcast to date. Both Jim Ross and Jesse Ventura were much improved over their previous two games. Ross was damn good, with the lone exception being he still tried to sell a little hard at times to push the excitement more than a normal sports announcer would and told the same Jose Cortez story twice. When the game was tied going into the final quarter, he said, "This is going to be something special" when it really came across as just a close football game. Aside from that, he called the game far more like a football announcer than his trademark rapid-fire loud wrestling commentary. It was an exciting game decided on the last play, so that didn't hurt. Ross also, before the last second field goal which decided the game, was already referring to Tommy Maddox as "Miracle Maddox" based on one come-from-behind win the previous week, as part of what it appears to be a last-ditch attempt to sell the product by marketing one or two stars on each team. As we mentioned before the season, the problem with unscripted football, is that Vegas, built around "He Hate Me," (running back Rodney Smart), to the point two of the L.A. defensive players had their jersey names "I Hate He" and "I Hate He Too," was the featured player and ended up 24 yards on 15 carries. Either Ventura was a lot more prepared or at least seemed to be because he did a good job of analysis, and even, at points, was funny. Ventura, because of his great voice and delivery, only has to be acceptable in football knowledge to come across well. He and Ross, to their credit, also eliminated the knocks on the NFL, which came across bad in previous weeks, and when Dick Butkus talked about the rule differences, the reference to the NFL was simply "other leagues." They also cleverly didn't make the pay scale sound so cheap, instead of talking about players making little money constantly, they talked about how the winning team splits \$100,000 (this was said over and over, so it was clear it was a directive) as opposed to saying the same thing but sounding cheaper in previous weeks, that each player on the team that wins gets a \$2,500 bonus. The belief is that Vince McMahon wanted Ventura to be less critical of the players and coaches and funnier. He was still critical at points but it didn't seem unjustified. There was even a point on a double penalty call where Ross and Ventura understood the rule interpretation immediately (of course they do have people helping them in that regard), something the people on the field didn't know as all the mics on the field showed. Last week, when they had a long injury delay (and they did do a vignette of Octavious Bishop, who broke his leg in two places last week regarding his surgery and recovery, and while not showing the apparent Sid like footage, they did have footage of his ankle at a 90 degree angle from his leg where the break occurred that wasn't shown last week), it was 11 minutes of dead air. This time, when a player went down bad enough to stop the game for a few minutes, they immediately went to a planned live dance-off between the cheerleaders for the two teams. There were more vignettes of the cheerleaders, if anything, trying to tone down their slut image some in the media gave them by showing them at work doing regular jobs such as one being an algebra teacher and another work as a court reporter (previous weeks they showed them working at bars). There were no wrestlers at the game and I didn't recall one pro wrestling reference, which is amazing when you consider it's a McMahon show, and that Ross and Ventura were calling it. Based on the second week demographics and the general lack of pushing the product hard (there were commercials, but only one reference in commentary) on Smackdown and with the exception of the announcers, no wrestling

personalities on the show, it is clear they are no longer attempting to market this hard to wrestling fans, and there is nothing on the shows to really appeal to wrestling fans. They tried to play up a worked feud between Saturday Night Live and XFL with Molly Shannon doing a vignette asking them to end the game in time and Ross & Ventura making cracks about upsetting Lorne Michaels. The sideline interviews were still more misses than hits, but it was better. Two teams that were a lot more cohesive going down to the wire and being decided on a 49-yard field goal with one second left. There were people breathing easy when that kick was made due to all the pub and pressure to end the game by 11 p.m. because if the kick missed, they'd delay the start of SNL again. The second game in Vegas drew a reported 26,135, down slightly from the sellout of 30,000 two weeks ago. On TV during the crowd shots, it didn't look like quite that many, but it was close enough to full on TV to look good. The Memphis game drew an announced 17,063, cut in half from the debut game in that city, which was not a good sign. The second game in New York fell from 35,000 to an announced 25,626 (although live reports indicated the real number was less than 20,000) and Birmingham fell from 36,000 down to an announced 17,582. This coming week the plan is to do Chicago vs. New York, even though they aren't the best teams in the league, with the idea of the teams in two of the three biggest markets would be the best game to deliver numbers and it's also the first home game in Chicago.

-As for an indictment of sports journalism at its worst, a strong case can be made for WZZN-FM (94.7) in Chicago, which has banned all its hosts from mentioning the XFL. They even went so far as in a sports commentary spoof, reporter Bruce Wolf who does a comedy piece under the name Chet Chitchat (a spoof on long-time Chicago media personality Chet Coppock and former area sportscaster Chuck Swirsky) made several XFL comments during his piece which were then sound-edited out of the piece, making the entire piece totally unintelligible. This has nothing to do with a station making a stand against corruption in sports or XFL being good or bad for football, but simply, the station promoted the hell out of the league and the Chicago Enforcers, when they were told by league officials that they were going to buy time on the station. When the team and league changed its mind, program director Bill Gamble told the Chicago Sun-Times, "We decided we shouldn't waste our time talking about them." I'm not sure which makes the station look worse, the reality they are telling their sports hosts they can't talk about a sports league and local team, or the fact they had such a horrible reason, and were dumb enough to acknowledge it as the real reason without at least attempting to make up a cover fake reason to the local newspaper.

FOX took out ads this past week for what turned out to be the tragic Daytona 500 spoofing the XFL (which the race went head-to-head with), starting off sounding like an XFL commercial and then cutting in saying, "This isn't some new scripted football league. Daytona this weekend on FOX."

There was some pub locally regarding a paraplegic fan, Albert Trevino, who was injured at the Los Angeles XPress home opener because he was unable to get out of the way when a fight started. Trevino flew head first six feet and his head hit the floor and was covered with blood. Fans started throwing beer bottles and cans at him while he was on the floor unable to move.

Luckily some fans helped him out because it took a long time for first-aid workers to arrive and even longer for paramedics. He needed six stitches to close the cut. Trevino, however, won't sue over the incident, saying he just wants an apology and hopefully get his classes and camera back which he lost during the skirmish

The 2/18 New York Daily News had a story by Thomas Hackett talking about the XFL getting destroyed by critics and but saying the smart money isn't counting the league out because of McMahon's ability as a hypester. Actually most of the smart money counted the league out before it even started, and after being stunned after the first week's numbers came in, pretty well counted it out after the second week seemed to confirm their previous thoughts. McMahon claimed that they've only had two weeks to change the viewing habits across America. Problem is, that line would be a lot more believable if they didn't have such a huge audience the first week and if it started weak and was building. There was also a guest column in the same paper that day by anti-violence educator Jackson Katz, which said McMahon and Dick Ebersol have shown on the telecasts a lack of respect for women (you know, being portrayed as sex objects) but also for young men, because of its bad health insurance for the players. He then said, "Wouldn't it be a sign of progress if when the XFL goes out of business, opinion-makers attribute Vince McMahon's failure to the fact that young men were embarrassed to be seen watching it and not because of the inferior football?" Yeah, it would make some people happy to say it, but we all know that it also wouldn't be true

-Stats you should immediately discard the next time you hear them: Lycos search top 50. XFL, which played to terribly declining ratings and falling attendance was No. 25 as the most searched for word last week.

-In the Bay Area sports ratings for the last week, the NBC/XFL game (XFL does well above its national average in this market) finished second only to the Daytona 500 for the week. The UPN game, however, finished near the bottom, only beating out of the area college football games.

-The St. Paul Pioneer Press ran a story this week saying that Ventura has an out clause in his contract enabling him to get out if he believes the XFL job is a detriment to his career and had people speculate whether he'd last the season.

### **March 5, 2001 [WEEK FOUR]**

While XFL ratings declined again in week four, the slide has finally slowed, but not before a dubious record was set.

The XFL broadcast on NBC on 2/24 drew a 2.61 rating and 5 share, down 15 percent from last week, making it one of the lowest rated show in the history of prime time television on one of the four major networks. The game broke the record set by the 1997 NHL All-Star game on FOX, which drew a 2.8. There was a half hour on April 15, 2000 with the ending of an NBA game and the beginning of a rerun of "Third Rock from the Sun" which did a 2.4, and a holiday special this

past Christmas Eve that did a 2.2, but the former was a split half hour, and the low rated half hour of XFL from 10-10:30 p.m. beat that out with a 2.21. As for the latter, Christmas Eve and other similar holidays where viewership is unusually low as a whole are usually not figured into records like this.

The rate of decline has finally slowed so the show has seemed to settle into a rating, but the place it has settled is disastrous. The UPN game this past weekend drew a 1.35 rating, down 12 percent from the previous week. The TNN game stayed almost steady with a 1.09 (which is an 0.85 national rating), down "just" six percent after the monster drop the previous week. The UPN realistic rating was 1.55 (percentage of homes that actually get IJPN that saw the show). This left the cumulative week national rating at a disastrous 4.81, well below half of the 10.5 cum that sponsors were promised.

Third week XFL numbers came in at a 3.08 on NBC, down 32.8% from the previous week, a 1.15 on TNN (which is an 0.90 national rating--down 52.1% from the previous week)--a figure a few episodes of ECW even beat and it's actually now declining faster than RollerJam, which was at 1.3 its second week, and a 1.54 on UPN (down 26.0% from the previous week) for a conglomerate 5.52, a 35.6% total drop.

After four weeks, ratings overall are 25 percent below what was being projected and that's taking into account the huge first week

(Assorted Notes)

-The XFL took its first sponsorship hit this past week when Honda pulled out. According to Chuck Bachrach, VP of marketing and programming for Honda's agency, Rubin Postaer and Associates, the pullout wasn't over the declining ratings (which means it partially was). They instead blamed content, saying they bought the ads based on the idea they were going to be producing a football game. Their specific complaints were too much of a television push for scantily-clad cheerleaders, too much cross-promotion of the WWF during the telecasts and in specific, they felt Dwayne Johnson's promo at the start of the second game directed at the NFL should never have appeared on a national broadcast. They also felt the make-up of the XFL audience was too downscale for a product they wanted to be associated with, noting the crowd make-up and Bachrach basically snubbing his nose at the type of people they were drawing to the stadiums. In other words, they were disappointed with the ratings and that it is being labeled a flop and they don't want to be associated with flops but probably don't have an out clause in the contract on ratings this early on, but do have an out clause based on if they were unhappy with content, because quite frankly, everyone expected the cheerleaders to be more risque based on advertising months before the league started and the cross-promotion of the WWF was also less than most expected. The make-up of the audience probably has more to do with declining numbers at the stadiums and Johnson's promo made for a convenient target because it came across so poorly to the non-wrestling fan audience as a potty-mouthed crybaby complaining about a product that they can't hold a candle to as opposed to WWF acceptable trash talking, which by the second week was most of the audience.

-Jay Leno this week said, "Apparently the ratings for the XFL are so bad, the executives said, 'Just burn the league for the insurance money.'" During the week, Vince McMahon was quoted in USA Today as saying that the league wouldn't be dropped and that NBC shared in that thought process. Kevin Sullivan, the NBC Sports VP, said the network has a two-year contractual commitment, but there is thought they'll move the games out of prime time at least next season and privately within the company they are said to be looking at figuring out a way out even though publicly they are saying the opposite. Scott Sassa of NBC West Coast in a national press call conference said that NBC is committed to airing the show in prime time for the remainder of its contract. Sassa did an even sadder version of Vince Russo, blaming the ratings on it being Saturday night and the fact NBC appeals to younger more urban viewers that are more likely to be out (belying that the first week those same viewers did a 9.5 and those viewers he was talking about were there at the beginning, and then never came back). He said they are hopeful of turning it around with story about personalities (i.e. Tillman vs. Ventura angle), the same strategy they've used for pro wrestling. UPN has a two-year contract, but have an option in the contract to get out after this season and affiliates are heavily pressuring the network to announce it isn't picking up its option as soon as possible so the stations can line up new programming in the slots. If ratings don't pick up, there is a chance some or all of the West Coast stations will start broadcasting the game on a three-hour tape delay, so it'll air in prime time, but the stations will get back their lucrative 6 p.m. local newscasts which have been airing at 8 p.m. Basil DeVito, who heads the league for McMahon, is trying to paint a happy spin, saying last week that the average rating isn't that far off projections (because of the huge first week, although the gap widens greatly by the week) and it only looks bad because of the first week being so good and raising everyone's expectations, but that's ridiculous as it's the lowest rated prime time show now on both Saturday and Sunday and most of the smart money now is that it's doomed with no chance of a turnaround. The XFL started make-goods this past week because the numbers for ads have fallen below projections, and the media has made a bigger deal out of that than it really is. It's not at all unusual for TV shows to at some point have make-goods. The freefall in ratings to this extent is highly unusual, especially since it's much faster as a decline than even the USFL did in the 80s. Dean Bonham, a major sports advertising adviser who has been negative about the league's chances from the start, noted the big problem is not the make-goods but that the league was too boisterous publicly about kicking the NFL's butts and how they would deliver the young male audience that doesn't watch the NFL. He said what makes the declining ratings so newsworthy is all the hype the league got for itself with those statements. There is also fear that when the NCAA tournament starts in a few weeks.

-The New York Post on 2/25 reported McMahon, desperate for a marquee coup, has talked with Lawrence Taylor about joining the league in some fashion, which was confirmed by Taylor's agent that the two spoke this week, but the story didn't say what position they are interested in Taylor for.

-The NBC game with Chicago vs. New York was a total disaster. Two 0-3 teams playing in an empty Soldier Field with cold weather and terrible rain. Since I was travelling, I only saw part of the game and it looked so sad. Ross was even making excuses by the end, saying things like,

well we knew there would be days like this when we started this, in reference to the weather. Because they don't let the announcers in the press box, they were standing out there getting poured on which only gave it a more unprofessional feel. They tried to build a feud, which made the show even more pathetic, between New York coach Rusty Tillman and Jesse Ventura, which they heavily pushed on Raw which made it sadder still. Tillman claimed Ventura knows nothing at all about football, for Ventura's criticisms of Tillman. Before the game ended, they sent Ventura to the field to interview Tillman, whose team got their first win. They apparently wanted to create the famous Pete Rozelle/Al Davis handshake at the Super Bowl when the Raiders, who were suing the NFL and Rozelle at the time, won, and Rozelle on national TV had to shake his hand. However, Ventura went to shake Tillman's hand and Tillman blew him off and refused to talk with him. That made everything even more bush league because they had overplayed that spot, talking more about Ventura going to shake his hand than the game itself it seemed by the end. Even worse was in this horrible weather, they had cheerleaders, who they focused on more than ever, wearing the most risque costumes, apparently a desperate measure to keep the teenage male audience that for some reason wandered back the previous week, and that didn't work as that demographic for Saturday night fell 44% from a 3.9 to a 2.1 from the previous week. They announced the crowd at 24,052 for the game but it was obviously nowhere close to that. That was the total of tickets out for the game, between paid and comps. We've heard rumors of XFL games being heavily comped in Chicago and Los Angeles. We've heard two figures on the number actually in Soldier Field, one being the 14,856 announced and another saying it was closer to 12,000 and a large percentage of even that being paper. San Francisco remains the league's hotbed drawing an announced 34,737 for the second game, only a slight decline from the opening week 38,000, some of which is due to the newness of Pac Bell Park. Los Angeles only announced that 18,341 tickets were out (combination of paid and comped) but wouldn't even announce how many were at the Coliseum, a figure that some have estimated as low as 7,000. The original plan was to air the 3/3 game from San Francisco, but the plans changed to do the New York vs. Los Angeles game so they can continue the Ventura-Tillman deal.

-Paul Tagliabue, the NFL commissioner, who has been quiet on the XFL from the start, spoke his first words at Yale University, saying, and what a bold prediction this is now, that the league will only last a few seasons. "I was asked (about the XFL) by one of the Yale players at lunch and I have to confess, I've only seen about ten minutes of the XFL. And I can tell you that it was not the most rewarding way I've spent 10 minutes in the last month".

### **March 12, 2001 [WEEK FIVE]**

-Rusty Tillman was very negative about the hyping of a feud with he and Jesse Ventura in an attempt to stop the ratings slide of the XFL. "They're trying to manufacture something, and I'm not going to do it," Tillman said in an article in the Newark Star-Ledger. "I've said all along, if it's like the WWF, people are not going to like it. I'm not going to do it their way. That's not me. I didn't want to turn around and have an (insult) contest on the field. My wife and children are watching. I'm not going to do it, because I think it cheapens the game." Tillman was totally

uncooperative on the 3/3 NBC game in working the feud, which made Ventura's attempts to keep it going actually quite pathetic. It must really be sad for all those people who made Ventura their political hero so find out Mr. Tells it like it is is just a paid shill doing pro wrestling angles on TV while holding the office of Governor of Minnesota.

-They added Mike Adamle in the booth for football analysis and when you heard the plays called in the huddle, he actually told what the plays were going to be ahead of time. The two notes this week are that Mike Keller stated the league is looking at for next season signing younger players as long as they are at least 19 years old provided they are not in college due to academic reasons. That is bound to be controversial, but it shouldn't be. If the player is good enough to play and isn't playing in college, there is no reason he shouldn't be fair game. Quite frankly, even if he is playing in college, if he can make more money going pro early, it should be his decision. This was a big deal years ago in basketball and one can debate whether it's been good or bad for the sport and it's probably been bad overall for college basketball, but what is fair economically isn't necessarily something to protect college sports. Baseball players have always been signed right out of high school, as have hockey players, so why is it wrong to do so for basketball or football players, other than in the case of football, college sports are a great minor league they simply don't want to hurt because it creates future stars for them and they don't have to subsidize it like baseball has to do. There is a value of a college education, but we all know that in the case of big money sports in college in particular, the college sports programs are so far beyond hypocritical when it comes for a legitimate education for players that people should at least have the option to make a decision about their own lives as opposed to waiting until their college class graduates and going pro. Granted, left up to their own devices, many will come out early and in many cases it will be a wrong decision, but in other cases for a superlative athlete, it'll be a right decision, and we all make good and bad decisions in life as it pertains to work or school at that age and athletes should have the same option everyone else has. If there are media complaints if they enact this policy, just let me know if a second-rate newspaper gives a job to a brilliant writer even though his college class has yet to graduate if they will make a similar fuss. On the other hand, the big promotion for next week is that, in their own words, hyped throughout the show using their own words as a desperate attempt to deliver ratings, that next week they are going to have cameras in the cheerleaders locker rooms. I'm sure the idea is to do this because for the most part the media has started to ignore the league, and they are hoping that negative press, like in the first week (but clearly not in the second week, which kills the theory that bad press is good press) will boost numbers. They'll get some bad press on it, and it may slightly boost numbers (I could be wrong about that because in the days that have followed that announcement, remarkably little has been written mainstream about that subject because XFL isn't considered a subject worth taking seriously except to point out the ratings by most major city newspapers), but they'll be disappointed with just how little the ratings will move is my prediction. And by the week after, because they won't be able to deliver on what is being teased, the long-term turn-off factor will be even greater and the numbers will drop, although I don't know how much. Three weeks ago, the belief was that a test pattern on NBC in prime time would draw a 3.0 rating. Two weeks ago that was lowered to 2.5. In the dying days of the bodybuilding deal, McMahon switched from guys bodybuilding show to a T&A fitness show (not unlike many of the sports networks do in the mornings), but that didn't move



ratings either and eventually that was the last straw and it died. Wonder if all the Mushnick haters will note that he called this one before almost anyone else and what he said to Drew Pearson when Pearson on "The Last Word" said all that stuff was done before the season to get attention but once the season started it would be all about football and they wouldn't be doing that stuff anymore? I can understand why wrestling fans don't like Mushnick but when it comes to predicting McMahon's actions over the past ten years, I've met nobody who has called them ahead of time anywhere near as well. I don't think it's sad McMahon is doing this, and in fact, is predictable and expected as he's not going down without a fight and without exhausting every possible gimmick. But I think it's so sad that NBC sports is so desperate to allow this hype, no matter what ends up being delivered or not delivered, because no matter whether it works for a week or not, the XFL was going to go down as a bad business decision and as Dick Ebersol's Edsel. But for the most part, that's all it was until now. Now it really is a black eye for NBC and NBC Sports that it won't be able to wash away if and when this thing quietly disappears.

-Linda McMahon, speaking on 3/5 at the Bears Stearns and Co. media investment conference in Boca Raton, FL, made some hints regarding the long-term of XFL, saying they are committed through the end of the first season but would take a look at it on a week-by-week basis. Her statements created some headlines indicating the company was thinking of sacking the league, which she denied the next day. She acknowledged the ratings decline and blamed it on weak games, but said critics are too harsh too early, saying it takes time to build a brand, player awareness and create stars. She said the company has launched audience research to find out why so many viewers no longer watch and said, "I think we have to evaluate the viability of the product in the marketplace." She said later that the company was committed to the XFL but was just looking to see what the consumer's appetite is for the product and evaluate from that how they proceed. She claimed licensing and merchandise figures are on pace with the business plan and tickets sold are ahead of schedule but the ratings need improvement.

-XFL failed to break the big record but did set a dubious record on NBC on 3/3. XFL did a 2.4 on Saturday night, which from a record standpoint technically would make it the third lowest rated show in the history of major network prime time television although from a record keeping standpoint it is second (a Stanley Cup playoff game in 2000 did a 2.3) because a 2.2 was registered on a Christmas Eve. Still, the game did set a record for the lowest rated hour in the history of prime time major network television as from 10-11 p.m. the steadily declining rating of the broadcast fell to a 1.9 Even more bad news was that Male 18-34 demo was only a 1.4 and the teenager demo fell from 1.5 the previous week to 1.0. The UPN game fell to a 1.2 (so much for the argument that it is Saturday night that kills the ratings) making it the lowest rated show of the evening then as well, and the TNN game did an 0.9, which would be an 0.7 national number. Overall the cumulative national rating of 4.3 is about a ten percent drop from the 4.8 of the previous week.

-XFL Vice President of Ad Sales Bob Riordan resigned on 2/28 to take a job with the College Television Network owned by CTN Media Group in ad sales. Riordan took the job as WWF started delivering free ads as make-goods due to the disappointing ratings as well as having to lower its ad prices.

-A black eye for the league was on its own web site when doing a Q&A about whether you are interested in cameras going into the cheerleaders locker room, 62% voted no.

-XFL is now offering major discounts on ads as well as make-goods. In one of the trade papers they were talking about the XFL doing a 3.9 among Men 18-49 and thus being strong in the demo group, beating out everything the weekend before last in that group except the Winston Cup. What is misleading about that is they are adding the ratings of three games to get that 3.9 and comparing them with single games or single events in other sports. If every NBA game in every local and national market was added together for a week or even every NHL game, its 18-34 males would destroy that of XFL, but NBA and other sports don't do it and that's where manipulated figures can look confusing. It's not unfair as far as advertisers go because if you buy an NBA game, you buy one game, but XFL sells in package, so your ad appears on all three games so it can claim from an ad standpoint those numbers it is delivering. XFL is also charge less than half of what major sports charge for similar ad audience making it a bargain, but that's also because it can't charge even half of NBA rates because advertisers won't pay NBA numbers. As mentioned here before, the prime source of ratings is for advertisers, but for all the comparisons of NBA vs. Nitro on TNT when it comes to ratings, in the real world, it doesn't matter (which is why tennis and Dog shows were pre-empting Raw on USA all those years) because advertisers will pay tons more for NBA than Nitro no matter how much Nitro beats them in ratings. As far as what this means for the WWF in dollars and cents, here's some estimates. XFL figured to lose \$60 million this season before the ratings shortfall, which would be a \$30 million loss for WWF. That was based on a projection of selling \$60 million in television advertising. As it turned out, they sold closer to \$40 million. If one figures the ratings stay roughly at last week's level for the rest of the season (and the ten percent overall drop from that level this week says that estimate is being probably too generous), and estimated the championship game at a 4.5, which may also be very generous, when the season is over, they will deliver about 53 percent of the audience they promised advertisers. They can make up about 19 percent of the shortfall with make-good ads between now and the rest of the season, which would leave them 30 percent short of what advertisers were promised, which would mean they would have to refund approximately \$12 million more at the end of the season, leaving them \$32 million short of their projected budget. So that would add \$32 million to the loss column meaning this project will actually lose considerably more money than WCW did last year, and that's provided ratings don't continue to decline from the current level. It would make both the WWF and NBC losing about \$46 million each this year on the project provided all other numbers come in at budget, which one would suspect also won't be the case. With WWF's profit margin this year on wrestling probably falling between \$80 million to \$100 million on the wrestling side, they can absorb those losses and still be a very profitable company and it shouldn't mean the wrestlers should feel any sting in their pocket books, at least theoretically, unless wrestling numbers themselves drop later this year.

-One of the more embarrassing moments in TV sports history took place with the cameras in the locker room and somebody was taking a leak and Ross had to utter the line "that's somebody going to the bathroom." That's been made fun of everywhere.

-Ventura largely put his foot in his mouth last week at the National Press Club meeting when talking about the XFL. He was first asked about why he has so much disdain for the media, and he called the media "jackyls" (he didn't mean Don Callis), that they have no accountability and only want to report negative stories and care too much about people's personal lives and try and create stories. The very next question said that doesn't he feel like a hypocrite with that answer in light of his constant bashing of Tillman. Ventura said that doesn't count because what he is doing with Tillman is only entertainment and he has great respect for Tillman. Then he was asked why the XFL isn't succeeding and he blamed the media, saying "Give yourselves a hand, you are the reason the XFL is not succeeding. The constant negative criticism by you guys is the reason the league is not succeeding." He claimed nobody from the XFL ever said they were going to have a better product in any way than the NFL (what about Vince on the 50-yard line screaming, "Where's my football" and the constant anti-NFL knocks on the air, many of which Ventura himself made). Then Ventura ripped on the NFLPA because Keith Elias was cut for salary cap purposes, but was willing to play for less than the league minimum to stay in the NFL, but the NFLPA wouldn't allow him because it would violate the collective bargaining agreement and Ventura said the XFL would succeed because players like Elias care more about the game than the money.

-They changed the bump-and-run rule to the same rule the NFL has in attempt to increase the passing game because the scores have been lower than they want. Rule changes happen in all sports but I've never heard of them constantly changing during a season.

-Jesse Ventura blamed the media for the XFL's ratings failures, although admitted the league was overhyped. He said about the media, "They got embarrassed again. They thought this was going to be football players hitting each other over the heads with chairs. They thought it was going to be wrestling on the football field. Then, when they found out it wasn't...they had to attack it and say it's not as good as the NFL--it's second rate-football," he said in an AP story. They should have asked him if it was the media's fault, why is the public turning off in droves? He gave a less than ringing endorsement when asked about the future, saying, "I don't know, we'll give it our best shot".

### **March 19, 2001 [WEEK SIX]**

-We only have sketchy XFL numbers for this past weekend. The Saturday night game on NBC, based on all the advertising with the cheerleaders sketch, was the first game in league history to increase its audience over the previous week, drawing a 2.6 rating and 5 share, making it the one of the five or six lowest rated shows in the history of prime time television from one of the big four networks--three of which have been the past three weeks of XFL broadcasts. The UPN game drew a 1.1 rating. We don't have a TNN rating at press time but it was down in total viewership (which isn't necessarily the same thing as homes, which the ratings are determined by) by 18.2% That would indicate something along the lines of a 0.60 national number and an

0.77 cable number. With the NBC increase, the cum rating should have held at around a 4.3 but because viewers per household watching were so far down based on the demographic information we've received, it appears overall viewership for the three shows was down 11.5%

-This week in the XFL started with them pushing the idea that they are attempting to break their association with wrestling based on the idea that the association with wrestling has hurt the ratings. To get that over, they removed Ross from the "A" game because he was so closely associated with wrestling. This decision was actually made close to a week before it was announced. Vince McMahon did his first interview on the XFL in several weeks to the Las Vegas Review Journal in which he was very conciliatory about mistakes made. He said the rules still need tweaking as well as the television production. Admitted he had gone too far with his negative comments on the NFL. Said the media hadn't been fair to the league. Called the NBC ratings a serious disappointment. McMahon insisted the league would survive, despite rumors all week that it is unlikely to continue for a second season. There is talk of next season upping the salary scale of QB's from a \$50,000 per year downside guarantee to \$100,000 because that is the glamour position and there are some unemployed QB's with NFL experience that XFL could have had but they were advised against signing on with such a low base. McMahon also said it was a mistake to play up the Ventura/Tillman feud (which didn't stop them from continuing to hype it on the broadcast on Saturday although not to the level they did in the past). Although Ventura is also associated with wrestling and has far less football knowledge than Ross, McMahon kept him on the broadcast team trying to compare him with Howard Cosell in the early days of Monday Night Football, which is such a joke because there is absolutely no similarity between the two other than both had a strong delivery. Cosell rubbed people the wrong way because he was so pompous in his knowledge, but he was an at times brilliant sports analyst that wasn't afraid to go against the grain. It's probably more because Ventura is likely the highest paid guy in the league and in all corporations there is the mentality of having to justify a big contract. The New York Daily News during the week had reported that NBC was trying to save whatever it can of the ratings and give it football credibility (it was apparently NBC's call to get Ross out) by adding a current NFL star to the broadcast team. Tony Siragusa on 3/12 turned down a proposed offer and there were also talks with Jason Sehorn. It also reported that if there would be a second season, that Ventura wouldn't be invited back.

-In its advertising for the Saturday night game on NBC during the week, they actually made fun of their own ratings saying "Nobody is watching this stuff anymore," an ad that many analysts thought was unbelievably stupid to actually buy advertising where you bury your product, which also included a comment "the ratings are dropping like bricks." The same ad, which in hindsight was hilarious because it came off so much like a WCW angle (more on that later) hyped the good things that were to change as putting cameras in the cheerleaders locker room (as if that type of silly skit will make people take the product more seriously and lessen the wrestling taint they publicly claim to be running away from), stop with hype and fireworks (all still there on Saturday) and stop making fun of Rusty (still played up the Ventura feud, although not as much). The first pro football game ever built around halftime then took place on 3/10 on NBC. The skit was going to have a nervous camera man named "Bruno" (Bret would have been too

obvious, I guess) scared about going into the locker room. Finally, when the time came, Vince was there, in his Mr. McMahon WWF heel persona, yelling at him to get in there. Eventually Vince shoved him, the camera man hit his head on the door and was knocked out. In his dreams, he had visions of women dressed in some skimpy clothes for a few seconds. He revived with the cheerleaders standing around him looking concerned. But alas, halftime was over and they had to go back to the field. Vince, mad that Bruno had screwed up his ratings, started putting the boots to him. The skit was so bad on every level, comedy that isn't funny, a screw-job based on it being the focal point of the advertising, that it came off like something Russo would do. Many have pointed to the ratings decline after the skit as evidence of it being bad, and a little can be said about that except XFL's Saturday night games ratings have almost always declined in the second half. Even worse, to show just how little NBC cares now, after the primary game ended a few minutes early, they went to the secondary game with Ross and Dick Butkus announcing (poor Butkus is one of the greatest players to ever play, but as an announcer, as shocking as this is to say and to hear, he was worse than Lawler). It was a great game. Chicago was leading hometown Memphis 23-22 with Memphis driving downfield. With 1:10 left, they cut away from the game, literally in mid-sentence, to interview a player in Orlando and end the show so they got off the air at 11 p.m. At most, showing the finish of the game they were showing would have gone over five minutes, made worse by the fact Memphis scored and won with a TD with 20 seconds left. Granted, everyone is sensitive because of that game that went 45 minutes long and screwed up the ratings for Jennifer Lopez on SNL and if that game was not anywhere near completion or the outcome was decided, I could see the decision, but making the decision they did made it show fans who were watching that outcomes are meaningless, and you may be able to promote pro wrestling with outcomes meaningless (although that's stupid on a different level), but you can't promote pro sports that way. SNL that night made fun of the league including Conan O'Brien doing a comedy bit where he read fake game scores and his punch line, "in case anyone cares" drew a big pop from the audience.

### **March 26, 2001 [WEEK SEVEN]**

If ever there was a situation where people watching the same thing saw totally different things, it would be the Bob Costas interview on HBO on 3/14 with Vince McMahon on his new show "On the Record."

The 30-minute interview, approximately half on the XFL and half on the WWF, saw things get totally unpleasant, both for the host, the guest and the audience watching. It resulted in a take sides situation. Many people tried to cast one as the babyface and the other as the heel, depending upon, probably in the case of the wrestling audience, the predisposed feelings on McMahon. Clearly the non-wrestling audience would view things a lot less sympathetic to McMahon, who came across by the end of the interview, like a guy transforming into ones very eyes from a very confident sports promoter into the almost crazed over-the-top version of the Mr. McMahon character.

The interview about the XFL was very interesting, touching on a lot of key points and both handled themselves very well. McMahon tried to get across the league was a long-term project and a brand name that takes time to build. This is exactly the opposite of what could be said when the discussion turned to McMahon's main occupation.

Costas did a tremendous job of asking mostly the right questions, and keeping McMahon on target when he was avoiding answering them directly, particularly on the football. McMahon, to his audience and minions, did a good job of, trying to cast Costas as something he wasn't, a snooty wrestling hater and a representative of all the people who don't like wrestling, and immediately painted him as a surrogate for Phil Mushnick, the name that hits a raw nerve with his audience. There were valid criticisms of Costas. First, he was not as prepared as he should have been, which McMahon should consider himself lucky, because had he actually watched wrestling, he may have made McMahon look even worse, but even if that wasn't possible, it would have resulted in a more compelling interview. He was more prepared than the vast majority of mainstream reporters who do wrestling, but not at the level one expects of Costas, and he wasn't in the league of Michael Landsberg of TSN who has done the best televised interviews with McMahon. But just in basic preparation, he needed to watch at least a full television show or two and have a little more than surface knowledge of some of the more spectacular things that go on and the knowledge he had from his years as a casual fan. Second, Costas shouldn't have brought up the Lionel Tate murder case, which we'll get into later.

The show, which drew a 3.0 rating, up from the usual 2.3 level the show does (Bob Knight also guested on the show and Costas was far easier on him, although he did ask him the important questions as well), turned into a major topic on sports talk shows around the country the next day. In this area, which is the XFL's strongest market, the strong consensus was that McMahon was a raving lunatic and that Costas was a super babyface. In New York, the reaction was different. Most of the reaction by wrestling fans in polls we've seen was negative to McMahon, but not overwhelmingly. It did seem the logic used by those defending McMahon's demeanor, as opposed to his points, was desperate at best, because the defense of McMahon's were largely attacks at Costas for not being as hard on Knight or for the aforementioned points, which don't exactly disgrace an otherwise strong performance. There is the natural attempt when a situation is tense to transform things into the simple babyface/heel mode and trivialized the basic facts of every issue talked about, and quite frankly, McMahon's demeanor worked to do that by the end of the show as it negated his strong performance in the first half and his valid points in the second.

Costas opened bringing up the XFL ratings. McMahon said he was pretty sure about the continuation of the league and would hope it would stay on NBC next season. He termed the first year brand building and his defense of the ratings were that the XFL wasn't typical

programming and it would take time. He was hoping for a long run on NBC and said that he takes a long-range approach to business. He admitted disappointment in the ratings. He admitted making mistakes but felt it wasn't too late, and pushed the calibre of play, saying it was bad at first but now it's great. That has been his main focus over the past week, the problem is, saying so doesn't make it so. The play is more cohesive than at the beginning of the season, as it should be, but they lucked into having some very close games that went down to the last play early. The second NBC game couldn't have been scripted any better, by far the most exciting game all season with a double overtime finish. But the one constant of all these games that were exciting is that the rating on every station dropped significantly in all but one case every single week. If, after the expected first week drop, the league settled down, and started re-growth, that would be one thing, and Costas didn't seem aware enough about the rating so McMahon was at one point able to buffalo him that they were doing well with Men 18-34 and Costas didn't know better. The strongest NBC demo in most weeks has been Men 50-54.

Costas brought up how the level of play could be that much better since they are all the same players as in the early weeks. McMahon blamed the early games on not enough training time. Hopefully, if there is a next season, we'll find out if McMahon is true to his words by whether or not he schedules a few weeks of pre-season games or else his statements that he recognized the mistake will hold little water.

McMahon claimed the NFL would like to steal the opening scramble if they could. I expect if the NFL is on the ball, they'll steal every good idea McMahon comes up with and ignore every bad idea. This is a great prime time laboratory for the NFL to see lots of different ideas, most, but not all, of which have flopped. Just like the old ABA developed the three-point shot which is now a constant at almost every level of basketball. As for the scramble, if the NFL introduces it instead of a coin toss, McMahon is right. If they don't, he's wrong, because they can steal the idea if it is believed to be a good one. He said the live game experience is great and pointed to an average of 27,000 per game. The crowds are probably no better in the early stages in most markets than USFL crowds were, the last football league that challenged the NFL and suffered a similar fate, dying after a few years. To get that 27,000, you have to use announced attendances and local newspaper reports, particularly in Chicago and Los Angeles, indicate announced crowds are heavily exaggerated. He said the play was the best anywhere except the NFL. Most football experts have labeled play at lower level Division I calibre and few football fans believe it compares in speed or play or execution with the top level college games. He said the NFL has been around 75 years and that their average attendance was better than a lot of AFL teams in the early years. That's probably true, as the AFL struggled for five or six seasons before catching on and merging with the NFL, which only happened after starting a bidding war for marquee quarterback and top college talent, something McMahon has always stated his league would avoid doing. The NFL did also take years to catch on and decades to become the institution in our culture it now is. As McMahon continued on his line about how foolish it would be for anyone to think they could build the XFL brand in one year, Costas never noted that it was McMahon's company that promised advertisers a 10.5 to 11.0 cum rating the first season. It

was Dick Ebersol who promised NBC strong young male demos and a great lead in for Saturday Night Live this season. Instead, in four consecutive weeks they had four of the six lowest rated shows in the history of prime time major network television including devastating all existing records on 3/17, and these weren't low rated 30-minute shows as part of a night, these were the entire Saturday night block for four successive weeks at record low levels.

McMahon didn't disagree with Costas statement, which was the Mushnick analysis after game one as to why it wasn't going to be a television success, saying there wasn't enough emphasis on the football to satisfy football fans, and there wasn't enough WWF antics to satisfy wrestling fans. McMahon said the research showed the WWF want WWF (i.e. don't want XFL) and football fans want football. He said the media was somewhat unfair to the league. A valid point, but the company's antics over the past week are only going to make things worse, with this show being the most obvious example even though McMahon as football exec handled himself well. Costas brought up that McMahon didn't risk any prestige by doing the league, NBC had lost prestige with the league. McMahon agreed but again blamed the media for that, forgetting it was the fans, not the media, responsible for the record low ratings and the loss of prestige from that standard aside from any questions of loss of prestige in the taste department. NBC itself was responsible for the loss of taste prestige by being partners to a league based on how it advertised itself both before the season started and the recent desperation ads once the ratings tanked. McMahon said he didn't know how much heat NBC would be able to take but then said he didn't think the XFL has hurt NBC in the prestige department. Costas said XFL was low-rent, and then noted the pre-game show was one of the most mindless things he had ever seen.

The fascinating exchange was reminiscent of McMahon 's Larry King interview with Bruno Sammartino in 1992 when Sammartino brought up Murray Hodgson and Mel Phillips. Hodgson, who in hindsight appears to have been a con man who after being fired from his announcing gig claimed it was due to rebuffing a homosexual advance, gained media attention coming on the heels of what appears to have been a legitimate similar story from Tom Cole, who was fired right after he claimed, and in hindsight nine years later his credibility on that issue is very strong, he rebuffed a homosexual advanced from the late Terry Joyal, then a WWF Vice President (a claim that was immediately settled out of court by McMahon, unlike the claim of Hodgson, and Joyal, better known as Terry Garvin, never worked for the WWF again). Sammartino called Hodgson the World Bodybuilding Federation announcer, McMahon stated knowingly that Hodgson had never worked for the WBF, as to publicly make Sammartino seem to most of the viewing audience like he was clueless. Actually Hodgson was the announcer for the first WBF contest. When Sammartino brought up Mel Phillips, McMahon, using the same tactic, claimed that Phillips didn't even work for the WWF (he had actually not only been a ring announcer for years including on television tapings and major arena events, but in one of his athletic commission license forms, actually listed his home address as the WWF offices) to make Sammartino again look bad.



"We don't have a pre-game show," McMahon responded, technically true, since it was cancelled after only a few weeks. "We've never had a pre-game show. That's part of our problem." Totally untrue. Costas asked, then what was the show and McMahon said a few NBC O&O's put a show together "which we had nothing to do with." Costas said the show made the league seem low rent. McMahon responded, "Quite frankly, I didn't see any of those." Whether McMahon saw it or not, the show came from WWF New York, and McMahon himself was a guest on the show, and the hosts, Opie & Anthony's first remark to McMahon upon interviewing him was, "We always knew one day we'd be working for you."

McMahon then claimed it was people like him, entrepreneurs, that make the country go round and round, said the XFL was a viable business and predicted that the ratings would bounce back. He said they'll need promotions to get people to sample it again and they are going to concentrate their efforts on getting the media to give the league more coverage. McMahon then tried to paint Costas as an elitist because of his criticism of the league and his negative comments. McMahon, by his promise to advertisers, created a level of ratings expectation, and when not meeting it, or even coming close, it was his projections not being met which resulted in the failing image of the league as a viable TV vehicle early on and the recent record lows after that point speak for themselves.

Costas brought up the salacious material in the game. McMahon noted nothing in the game itself is salacious, which is true regarding on the field, but not the broadcast with the pro wrestling angles or cheerleader skits. The advertising certainly is, which are all part of the product. Costas asked with the failing ratings would they make it more salacious. McMahon acted indignant, which after last week's promotion of the league (a clip of a salacious TV ad for last week's game was shown as well as the hype for "Bruno" going into the locker room), is hardly something he should have been indignant about. But he did say, "We just did that" in a tone that indicated but never said it was something they would never do again, and then defended it saying it was a spoof making fun of the bad ratings. Costas, had he been more prepared, could have noted even that trick didn't work as the NBC number barely moved and the weekend as a whole was down another 10%.

Costas asked McMahon if ratings dropped further, would he fix games? McMahon got mad again, basically saying you can't fix football because the guy has to catch the ball. He said, "What a ridiculous statement" and Costas quickly responded, "It's a question, not a statement." How a guy who made his living as a wrestling promoter can feel a statement about fixing games is ridiculous, when much of the New York business world going into the season believed McMahon would be a huge success because he would script the games, is beyond me. But McMahon, and those who defended him saying the question was unfair, don't even understand the basic distinction between the terms fixed and worked. The idea you can't work team sports is ridiculous, or even that sports can't be marketed when worked as Roller Derby in its glory days and the Harlem Globetrotters even today are proof, but working entertainment like pro wrestling or the Globies, is entirely different from fixing outcomes, which has been done at many points in all sports, usually by getting to two or three key players on a team to screw up in key

situations, and point shaving scandals in college sports are a well documented part of basketball history. The NFL has surely had fixed games. Baseball once had a fixed World Series. Boxing regularly has fixes. My feeling was, once NBC was co-owner, there is no way games were going to be fixed or worked. But even that isn't a sure thing as ABC found out when it got in bed with Don King in the 70s for the U.S. Boxing championships fiasco.

Costas pointed out if they are going to do football, there is so much football out there, pointing to college, NFL Europe, Canadian football, that the only way the league can make it is to be different, and asked how it would be. McMahon responded they had the best football other than the NFL.

McMahon did say he picked the wrong announcers and that WWF announcers are not the right announcers for football. Costas noted that many top announcers in the country were reluctant go work XFL games because of the stigma attached to the league. McMahon admitted he was going to have to search to find announcing talent. Neither brought up that when they were looking for announcers, one of the things McMahon wanted were announcers with little or no experience at doing football because he wanted the announcers to do football like wrestling. Why else would you hire Jesse Ventura and have him to wrestling angles on the air?

(Assorted Notes)

-Complete XFL ratings for the weekend of 3/10-11 saw the NBC game do a 2.41 rating and 4 share (we had reported 2.6 and 5 last week which were the preliminary numbers available at press time), the UPN game did a 1.06 rating (1.22 realistic rating) and 2 share, and the INN game did a 0.60 national rating (0.76 cable rating) and a 1 share, or basically putting with all the hype, a rating lower than all but a few episodes of ECW. This left the week with a com national rating of 4.07.

-As bad as it was for Jim Ross, who is a part of the XFL, to do the complaining act about the media's lack of coverage, it was ten times sadder to have to hear Tazz and Michael Cole, who aren't even part of the league, do the crybaby act on Smackdown. Again, unless this is a Paul Heyman brainchild to create a fake enemy in the media as a face-saving measure for the league's ratings collapse, it is ill advised because it isn't going to result in a better brand of coverage. Jim Rome fell for the bait as on his show on 3/15 he began the show responding to what J.K. McKay (VP/GM of the Los Angeles Xtreme) said that Rome shouldn't talk about the league because he knew nothing about football. Rome responded saying that McKay must not know a whole lot of about football either or he would still be working in the NFL. He then said it was ridiculous the XFL is trying to blame the media for the reason it isn't succeeding. He said the reason the league isn't making it is because of the horrible quality of play (he's wrong, but that's another story). He said if people wanted to see strippers, they would go to the local club rather than watch wannabe strippers who aren't going to take it all off on television. He said he's tired of hearing McMahon and Ventura claim that they never said they were going to be better

than the NFL saying they should take a trip down memory lane where both of them were strongly ripping the NFL, saying there was no excitement, and they were going to return the excitement and smash mouth element to football and the NFL had turned into a bunch of wussies. He said the only way McMahon can save any credibility is to admit this was a bad way to invest \$100 million. Here is free advice for any sportswriter who has just criticism of either WWF or WCW or XFL or UFC. Examine the issues, focus on the issues. Don't respond to personal attacks because then it becomes a "feud" and at that point people take sides and far too many will rationalize their side being right rather than examine the points. If you point out the good and bad, you won't have as sizzling a speech or as hard-hitting a column, but you take yourself out of being the issue. The minute something comes across to people now, who sadly don't look past the personalities and into the actual points, as a feud, the issues themselves, if they are important, get forgotten.

-Speaking of XFL, one of their miscues from the beginning was not allowing their personalities to do interviews on sports talk shows. I was on with Eddie Andelman on WEEL in Chicago, who has known Vince forever (even came up with the name "King of the Ring") and even his show, like most of its kind, were never able to get XFL guests.

-Ross did an article in the new Raw Magazine ripping on critics who berated his XFL work, You know what is funny that many have pointed out, that while Matt Vasgersian did baseball for the Brewers, on a national basis, he is best known as the voice of FX' Tough Man show, which in most ways has to be called a lot more low rent than WWF programming. Ross in particular took perhaps the single most ignorant remark written about him, the one about how can someone be the best wrestling announcer, does it mean he can read a script better than the other guy, and indicted an entire media out of it. Advice to everyone regarding "the media." Just like in all forms of everything, there are smart people, good people, total assholes, and ignoramuses. "The media" isn't against the XFL. Many members of the media are, to be sure, for whatever reason including the personality of McMahon himself and how it plays out to the non-wrestling fan. Many criticize it fairly. The PUBLIC, not the media, caused it to flop and pointing out the ratings is not wanting it to fail, or even saying it has proven thus far to be a failure is not wanting it to fail, it is just taking the data at hand and acknowledging the reality. It drew a huge rating the first week so everyone sampled it and didn't come back, thus must not have liked it enough. It may have been presented wrong and may just not have been a viable economic product for this time. Ross then talked about the "poor, insecure pathetic people of the media" to stand up or the fans of the WWF are normal, intelligent people who happen to like the WWF. Some fit into that category and some don't. I think the saddest thing was reading this and then recognizing that McMahon's remarks regarding the announcing of the XFL came out the same week.

-XFL quote of the week that makes no sense was TV announcer Lee Reherman on why the ratings are bad for NBC in last week's Sports Illustrated: "The young male viewer who loves us is out chasing young female viewers (on Saturday night)." Okay, Hawk, what about why the ratings on Sunday night are half that of Saturday? Saturday night isn't a great night for ratings, but why does the XFL draw about one-third of what the other three networks do on Saturday night? It isn't the night, guys.

-Stern had two XFL cheerleaders on 3/20 who did nothing but complain about their jobs. They said they were promised to be involved in storylines but it didn't happen. They said they're paid well but their agents think being involved in the XFL is hurting their careers.

## **April 2, 2001 [WEEK EIGHT]**

Dick Ebersol, for the first time in a 3/26 article in the Washington Post, talked seriously about NBC not carrying the XFL next season. Ebersol said in the article that even though NBC made a two-year commitment to the league, "It's going to have to show a marked swing in the ratings in the post-season for it to have a real shot beyond this year, just from an advertising standpoint". Ebersol said the decision on whether NBC would carry a second season would be made no later than the end of April. He blamed the ratings failure of the league on lack of superstars, which fuel interest in all sports. He said the lack of superstars coming to the fore in the first few weeks of the season led to the ratings dropping. However, WWF did attempt to create superstars, such as Tommy Maddox, John Avery, Rod "He Hate Me" Smart and New York coach Rusty Tillman, but the public never bought the idea that people who weren't in the NFL were true football superstars. Ebersol also said what didn't work out was the belief that the media would pick up on their theme for the league of being the little train that could, focusing on the low salaries the players were making as a way to romanticize the game as compared to the NFL, however the media wasn't buying the XFL party line on that story. McMahon's big interview on the league this week was with frequent league critic Richard Sandomir of the New York Times, where he also teased the possible ending of the league after the first season by saying, "If we have no network TV partner, we have no league." McMahon said they have had preliminary talks with UPN about being the flagship network and said he believes they are interested. However, the UPN ratings for XFL were even lower than the much ballyhooed XFL ratings and UPN affiliates were complaining about having to carry the games as opposed to being able to air syndicated reruns of television shows on Sunday nights that would draw much higher local ratings. Basil DeVito, who is running the league for McMahon, said the league would definitely continue next season with UPN and TNN, noting the misleading claim of 25,000 per game in attendance (that figure is the number of paid plus papered tickets that are passed out, and not the figure actually in the buildings which is considerably less, as if you give a jiffy lube 50 tickets for customers and they give away ten, it counts as 50 tickets) and saying ratings on UPN and TNN aren't bad. Actually the UPN game may be the lowest rated prime time show of the week among all six networks (NBC game has been for weeks by far the lowest of the big four) and TNN ratings are now well below that of the defunct RollerJam, let alone that of the canceled ECW, a level they fell below by the fourth week of the season and have fallen each successive week. UPN's contract with the XFL gives it the option to cancel at the end of the season and many affiliates were pressuring the network to make that decision before this season ends so they can work on their scheduling for next season. NBC's contract was for two years, but it appears the network is willing to break the contract and pay a penalty rather than go through a second season with record low ratings. The TNN contract requires the network to carry XFL as long as the WWF wants them to. The past five weeks of XFL games on Saturday

night have resulted in five of the eight lowest rated shows in the history of prime time television on the big four networks and it is generally expected the rating on 3/31, going against the NCAA basketball semifinals, will break the current record all-time record of 1.6 set on 3/17. McMahon blasted the NBC pre-game show, which NBC had creative control of, which has turned into a controversial subject stemming from his comments on it during the Bob Costas interview. The show, which aired in several markets around the country, was canceled after the fourth week of the season due to anemic ratings. McMahon claimed he thought the show would air on Sunday mornings (which makes no sense for an NBC pre-game show to air the day after the NBC game) but that NBC wanted it on Saturday and said, "Like a good partner, we agreed. I heard it was horrible. Had I seen it, I would have shut it down." McMahon in the interview said the full access to the locker rooms was a huge miscalculation, figuring fans would get to see coaches screaming at players and players throwing garbage cans at the wall. He also once again said hiring Jesse Ventura to announce was a mistake. However, he stopped short of saying Ventura wouldn't return if NBC was back for next season, saying he wasn't sure, but called it unlikely that Jim Ross would be back. He said he would no longer try to pump up ratings by hyping peripheral antics (since they ultimately failed attempting such in recent weeks). McMahon said he thinks the league will make it, but refused to say it would for sure, saying, "I'm not ego-driven about it. But it's a dream that I think will work." XFL ratings have become harder to come by in recent weeks. For 3/24, the NBC game drew a 1.8 rating on the fast nationals, identical to the previous week where the final rating dropped another .2. The UPN rating was unavailable other than it did a 1.3 on the overnights, which indicates about a 0.9 national number. The TNN game did an 0.55 cable rating which translates into an 0.43 national rating, indicating the weekend cum of about 2.9 to 3.1, well below the 10.5 level sponsors were promised.

#### (Assorted Notes)

-McMahon did two major radio interviews on 3/22, on Howard Stern in the morning and the Mike and the Mad Dog on WFAN in the afternoon. Stern brought up a bunch of sexual stuff and proposed an idea for the XFL that the players and cheerleaders live in the same place and if their team loses a game, they are eliminated from the league, and that the games should be taped and edited later. Vince said he thought it was a good idea even though it on the surface sounds totally stupid. Vince said that when he passes the business on, it'll be to Stephanie, Shane and Marissa (Shane's wife who was done some on-air work as Marissa Mazolla). Survivor Series came up and McMahon called Hart a great performer but they had a difference of opinion and Bret didn't want to drop the belt the right way so Vince said he screwed him in the ring. Stern applauded Vince for taking a stand against the PTC (which also tried to get a sponsor boycott of Stern with far less success). Vince on both shows indicated he regretted his behavior with Costas. On the latter show, he said he was disappointed he let his emotions get the better of him with Costas. Kept pushing that the XFL will be there long-term. Tried to excuse the low ratings with the young demographic being out on Saturday night argument (insert the weekly what about Sunday night question). Said using Ventura was a mistake. He said ripping the NFL was an idea to get publicity, but it backfired because the level of play early in the season wasn't good. The hosts, who didn't know wrestling but did know football, said the level of play in the league still wasn't good. Said if NBC dumps them from prime time he'd love to go

to Saturday afternoon, but pointed out with Golf and NBA, that wasn't likely. Vince said that the pre-game show, which on Costas he tried to act like didn't exist, was a big mistake.

-Dick Butkus did an interview in the Los Angeles Times praising the players of the XFL. Butkus was asked why McMahon didn't market the XFL as a league made up of guys trying to get a shot at the NFL instead of marketing it as meaner and harder hitting than the NFL and he said, "The marketing people didn't talk to the football people. The league, in a way, was over-marketed and it couldn't deliver." Butkus predicted a resurgence in popularity for the league because the quality of the football has improved. Nobody has figured out yet that quality of football is not an issue in television ratings. That's marketing to the same percentage of football fans that are likely already watching as marketing pure workrate with unknown talent to casual wrestling fans. It's the lack of "real" stars because all sports are driven by star quotient. Golf is as boring, or as exciting if you like it, as ever, but they have a real star so their ratings are way up. Basketball is hurting because their real star isn't around. From a game-to-game basis, quality of play is probably not all that different from two seasons ago.

-Once again to show the lack of respect NBC has at this point with the XFL, the 3/24 game was cut away from even though it was in progress. Granted, Los Angeles was leading by nine with 47 seconds left, making the comeback highly unlikely, but it is sports tradition that you don't cut away from a game until it's over ever since an NBC fiasco doing so in the late 60s. In a game known for the last 30 or so years as the Heidi Bowl, a Jets-Raiders game which saw the Raiders score two touchdowns in the last few minutes was cut away from to air "Heidi," set the precedent with NBC flooded with nasty phone calls when they cut away, let alone missed the wild comeback. NBC has never cut away from a football game in progress until doing so twice in the past few weeks with the XFL, including missing a touchdown that won a game with 20 seconds left a few weeks ago by cutting away from a game with just over a minute left, like letting the last minute, or in this case, 47 seconds, play would send the schedule into that much disarray. This was due to complaints from Lorne Michaels after the double overtime game in the second week of the season caused SNL to start 45 minutes late and killed its rating, which was a combination of frustration since one of the key selling points Dick Ebersol made to NBC for the XFL was how it would be such a strong lead-in for SNL and help increase its ratings this season.

-A correction from last week in the item about XFL not allowing its players or coaches to do sports talk shows, I mentioned WEEI as being in Chicago which is one of those 2 am. mistakes as it's in Boston as I should know since it was one of the earliest sports talk stations.

## **April 9, 2001 [WEEK NINE]**

-The actual quote by Basil DeVito regarding the XFL ratings on UPN and TNN in response to the probable dropping by NBC is that on the other two networks the shows "fared very well." The projected national rating for UPN was 3.0 and in recent weeks it has been hovering at the 1.0 level, and the projected TNN rating was 2.5 and it's been at the 0.4 level. I'd hate to see what mediocre ratings would be.

-XFL ratings fell to another new low level of a 2.9 national cum this past weekend with the NBC game doing a 1.8 (based on the fast nationals, we don't have the national rating at press time). It was the third straight 1.8 week on the fast nationals (two weeks ago the actual national number was 1.6). Actually this did better than expected because the feeling was the NCAA tournament would drive the rating down even more. The UPN game this week set a new low for Sunday night with an 0.7 rating. For all the attempts to justify the ratings based on comparing them to other sports shows in bad time slots, an NBA game on NBC went head-to-head with the XFL on Sunday and drew more than five times as many homes and probably six times as many viewers. The TNN game did an 0.51 cable rating, which is an 0.40 national rating.

XFL ratings fell to another new low level of a 2.9 national cum this past weekend with the NBC game doing a 1.8 (based on the fast nationals, we don't have the national rating at press time). It was the third straight 1.8 week on the fast nationals (two weeks ago the actual national number was 1.6). Actually this did better than expected because the feeling was the NCAA tournament would drive the rating down even more. The UPN game this week set a new low for Sunday night with an 0.7 rating. For all the attempts to justify the ratings based on comparing them to other sports shows in bad time slots, an NBA game on NBC went head-to-head with the XFL on Sunday and drew more than five times as many homes and probably six times as many viewers. The TNN game did an 0.51 cable rating, which is an 0.40 national rating.

#### **April 16, 2001 [WEEK TEN]**

-The final XFL regular season game on NBC drew a 1.7 rating and 3 share based on the fast national, which, if the number holds up, would make it the second lowest rated (only the game from three weeks ago would top it) night of programming in the history of television on one of the big four networks. The final regular season game on UPN drew an 0.6 rating and 1 share, which is the lowest network rating I've even heard of.

-The XFL has changed the rules for the playoffs as it pertains to extra points, and the manner of doing so, is going to kill any chance the league has of anyone taking it seriously if there is a second season. The coach has an option after a touchdown to get the ball at the one yard line for a one point play, the five yard line for a two point play or the ten yard line for a three point play. These rules are only in effect for the games on 4/14 and 4/21 and will cement the league's reputation as a total Mickey Mouse league, probably for the next year if it even lasts that long. The last cry for help after McMahon did all his media appearances saying to fans and media to "give us another chance" and those pathetic spiels on Raw and Smackdown telling people to inundate their local TV stations and newspapers for more XFL coverage (not only did it not to any good, and it only had the chance to backfire, checking with some local media types, they received zero response showing the WWF's ability to mobilize its audience begins and ends with pro wrestling issues and Presidential elections, actually it's probably strong on anything EXCEPT football, boxing and bodybuilding) resulted in continued audience erosion every week. There is zero sign of upward momentum and they've exhausted every trick in their arsenal to gain even the curiosity audience back.

-They've changed the name of the first XFL championship game from "The Big Game at the End" to "The Million Dollar Game" (since players on the winning team will share in a \$1 million purse, which is about \$26,000 per player). Rush & Molloy in the New York Daily News in the gossip column reported that NBC has made the final decision regarding dropping the XFL after this season. It claims the decision will be announced after the season and quoted a well placed insider as saying, "No question. The show is one of the biggest black eyes in NBC history." The source claims NBC made the decision, even though it has a two-year contract with the WWF as partners in the league, saying they will go to court if they have to get out of televising the games next year. However, NBC President Bob Wright claimed the next day that they were committed for a second season.

-Seriously, the XFL, can't do anything right even when they try. The San Francisco Demons offered to help build a locker room at Diablo Valley Junior College, where they practice, and are having problems even donating money to the school. The team put up a \$50,000 deposit toward construction of a new building, which would cost \$750,000 (of which \$500,000 would be paid by the XFL, and there goes the SummerSlam gate) and another \$25,000 for scholarships for female athletes to use when they move on to a four-year college. However, Faculty Senate VP Linda Barneson in the San Francisco Chronicle asked if the college's reputation is being tarred by renting facilities and accepting money from a league owned by Vince McMahon. Yes, it has come to this. Now the team has not officially offered plans to build the facility so this hasn't become an issue at the primarily commuter campus. Barneson stated, "When you let the Demons on campus, you get everything that comes with Vince McMahon." Other school officials disagree. Athletic Director Steve Ward noted that the campus has been cheerleader-free and the Demons players themselves are the utmost professionals, they practice and they leave and have been good role models for the students. Barneson, a teacher for the past 36 years, said because of the image question, she will ask officials to review its policy on renting the facilities to the XFL in the spring. "If we have to take money from people who are representing these things, then what message are we sending to our students?"

#### **April 23, 2001 [WEEK ELEVEN]**

-The 4/14 XFL playoff game with San Francisco vs. Orlando, which was a hell of a game, saw the ratings grow a lot for the finish but still ended with a 1.8 rating. As it turned out, the final rating for both the 3/31 and 4/7 XFL games on NBC ended up at a 1.5, making them the two lowest rated television shows in the history of prime time (XFL finished the season with the three lowest in history and six of the seven lowest). The 4/7 game fell to a 0.8 in the 18-49 target demographic but it appears 4/14 was up to 1.2. The UPN Chicago at Los Angeles playoff game did an 0.7 rating, which is the saddest rating in the history of the league because you had two of the top three markets in a playoff semifinal and it drew a second lowest rating of the season on UPN. The 4/1 final XFL game on TNN, which went against the Masters, drew a 0.34 cable rating which translates into a 0.27 national rating.



-The XFL championship game on 4/21 will be San Francisco at Los Angeles. The attendance may be more scary than even the playoff ratings because the league had, with bad ratings, prided themselves on the in-stadium experience. However, when Orlando, which opened at 36,000 with a few thousand turned away, only drew 14,849 claimed for a playoff game, and Los Angeles drew an announced 13,081 (those live claimed the real number was closer to 8,000 at the 90,000-seat Coliseum). And the worst possible thing is that the Million Dollar Game will be back Saturday night at the Coliseum so they are most likely, without either a big surprise or super papering, faced with an embarrassing turnout.

-There are actually odds in Antigua of 10-13 that you can bet on whether or not the XFL plays a second season.

-An article in the Newark Star Ledger quotes Basil DeVito, the XFL President, and Mike Keller, the director of football operations, as saying there would be a second season. Keller said, "on the heads of our children, that we'll be back next year." Does anyone remember the last person who worked for Vince McMahon who swore on the lives of his children about something?

-Matt Vasgersian, during the Milwaukee Brewers home opener (he does their television) was asked what he did during the off season. His response was, "Doing a thing that was supposed to be football, I think." When he was asked if he would be doing it again next off-season, he laughed and said, "With the boss man constantly changing his mind week in and week out, I didn't know if they loved me or hated me. I'm surprised I lasted this whole season".

-The Jewish Defense League contacted the XFL claiming it had numerous complaints that the L.A. Xtreme logo was meant to be a swastika. They actually put a vote on their own web site as to whether it was meant to be or not (The Xtreme said it wasn't, but unlike the Undertaker cross issue, I can't believe for a second that a swastika ever even came to their mind when doing the logo). About 60% voted that it wasn't meant to be a swastika so the issue hasn't been pursued farther.

## **April 30, 2001 [WEEK TWELVE]**

First Boston Credit Suisse released a revised earnings projection report on 4/18 showing the World Wrestling Federation Entertainment's financial fortunes have been greatly revised downward largely due to its share of the increased projected losses sustained in the first year of the XFL.

In its previous estimate, the WWFE had projected a \$38 million loss, as its share of total league losses. The league is owned 50 percent by WWFE and 50 percent by General Electric (NBC).

The latest revised report lists the WWFE's share of losses at \$38 million just for the quarter and \$60 million for the fiscal year which began on May 1, 2000. With \$1.1 million in losses for start-up in the 1999-2000 fiscal year, it would seem to indicate XFL losses as of the end of this month would total anywhere from \$61 million to as much as \$121 million, depending upon how much of the losses was NBC's responsibility in its contract, based on this revised report. WWFE will officially release both in quarterly and annual report in May, at which time these projections would be verified. Until the report is released, the WWFE is not allowed to comment on outside projections.

The projections on the report for the fiscal year that ends on 4/30 is that the annual profit for World Wrestling Federation Entertainment will be approximately \$29 million. While it pales next to the profit margin of the previous two years, it is still probably the fourth most profitable year in history for any pro wrestling company. WWFE had projected earlier this year a wrestling and wrestling related businesses profit margin of \$86 million, roughly the same level as last year, in which the company earned \$85.7 million in profits, a figure the company appears it will actually slightly exceed. That number figures in \$7 million for the Owen Hart wrongful death settlement, with the increased profit due to a number of factors, most notably a better television contract with the Viacom deal and increased revenues from higher ticket prices to live events and more PPV product. For the 1998-99 fiscal year, profits were \$56.4 million. That was before the addition of Smackdown to the line-up which added greatly to the weekly advertising income. The company was not profitable during most of the mid-90s due to the nose-diving of popularity of pro wrestling and the WWF itself between 1992 and 1996 until it came back strong after a very creative 1997 year and the ascension of the Stone Cold Steve Austin character.

However, the current quarter, covering months February through April, would, according to the report, be the first quarter WWFE lost money in since 1997, with estimated losses of \$15 million, on a combination of \$23 million in profits from the wrestling and wrestling related side and \$38 million in losses on the XFL during the season. Because it is seasonal, with the entire season taking place in this quarter, the bulk of XFL losses every season would mainly be from only one of the four quarters.

These losses came during a quarter which included the biggest event in company history, WrestleMania X-7. The majority of Mania income would be on the books for the first quarter of the fiscal 2001-2002 year because PPV money usually comes in about 90 days after the completion of the event (actually some comes in much later than that). However, big money events such as the Fan Axxess and the huge live revenues of the Astrodome event would be part of this quarter's books.

The huge losses if the decision was made to continue the XFL, would be expected to be far greater for WWFE next year because NBC is expected to pull out. This may mean WWFE

would have to assume a greater percentage or as much as all of the losses next year. Vince McMahon, when publicly stating for the first time this week that NBC wouldn't be involved in televising the games next season, said those details of how a pull-out by NBC would affect its 50 percent ownership of the league have yet to be worked out. The advertising revenue without NBC prime time exposure would be far lower and also far more difficult to sell as existing advertisers, such as Gillette, have publicly stated they have little interest in coming back for a second season, and realistically, you'd be looking at cum ratings of 1.0 to 1.2 ratings points per week with two Sunday afternoon games. A combination of the greatly declining ratings pattern of the league's first season and where the numbers ended up with a soft advertising market that shows no signs of turning around make a second season look even worse going in. Based on crowds declining in every market except San Francisco (largely due to the novelty of Pac Bell Park), attendance would be expected to decline from the levels of this season while costs likely would remain relatively stagnant. Because the product would be perceived of as "cold," as opposed to "hot" as it was at least for a week or two this season, items like merchandise would also likely decline. Because NBC was under contract for two years, they would have to pay a huge penalty to break the contract, reported in some places as \$45 million. There are some start-up costs that wouldn't be incurred in a second season, but there would be added costs running into the tens of millions if they were to add two new franchises as they have talked about. About the only way this can make sense is if the league starts selling off the franchises, so local owners will be taking the losses, cutting down WWFE's expense, as well as keeping the league afloat financially with revenue from selling teams.

One strong positive for the quarter was an additional \$3 million in revenue from opening the merchandise store at WWF New York.

Because of the strong opening ratings, the league averaged for the regular season a 3.3 on NBC, a 1.3 on UPN and an 0.8 (0.65 national rating) on TNN, however when ratings declines finally settled in late in the season, those numbers were 1.5 on NBC, 0.6 on UPN and 0.3 on TNN. For the past several weeks, the UPN game was the lowest rated prime time show of the top five networks. The WWFE's claim that UPN raised ratings over the network average, something many media outlets have repeated without checking, is in reality that UPN had never broadcasted Sundays so there are no numbers to compare it to, but it was also, by far, the lowest rated night of the week for any network. TNN did increase over its Sunday afternoon rating in the same time slot last season, which was an 0.6, for the season entirely due to the 2.4 first week so while that claim is true, it's misleading. The XFL drew less than a 3.6 the final four weeks of the season with the number declining every week. There were a lot of misleading figures bandied about for the championship game, won by the Los Angeles Xtreme, on 4/21 The fast nationals listed the rating at 2.1 with a 4 share, however that was taken from 8-11 p.m. The game itself started at 8:15 p.m. because an NBA game, which drew much higher ratings, went long. If you take the NBA game out, it appears the real rating will be in the 1.9 range

McMahon did an about-face on the subject of Jesse Ventura in a Los Angeles Times interview this past week, saying, "I think Jesse was unfairly criticized by a lot of people, myself included.

He made a lot of contributions and was very supportive of the league, in spite of the media jumping down his throat. He wasn't brought in for his football knowledge, although he does know football. The mistake we made was not putting a football expert in with Jesse in the first place. Once we teamed Jesse with Mike Adamle, I think those two, with Matt Vasgersian, made for an outstanding team. I would love to see those three come back "

Ventura himself on CNBC, when asked about the league, once again blamed its business problems on the media and heavily praised the players themselves, saying the NFLPA screws players out of the league due to the nature of the salary cap and minimum salary. Ventura was asked why he didn't quit. since his approval numbers as Governor dropped since he was associated with the league. He said he never considered quitting and sad if he's asked to return for next season, he would do it. He heavily praised McMahon as a visionary and a gambler, so the two are apparently on good terms again.

McMahon said that next season, games would be played only on Sundays, and there would be a 1 p.m. and 4 p.m. game, saying that is when viewers are used to watching pro football. The thought is that UPN and TNN would air the games. UPN's contract expires at the end of this season and the games have become the lowest rated show of any kind in prime time on network television, however UPN may bite the bullet for a second season as a concession since WWFE's Smackdown is still far and away the highest rated program on the network and the show that likely saved the network. While those are the traditional NFL time slots, the reality is, the XFL drew its strongest ratings on the much maligned Saturday night and the 4 p.m. Sunday "traditional pro football time slot" drew by far its weakest numbers, and that's with TNN practically building all its promotions around the league this season. McMahon said that next season they would have longer training camps and be more organized before the season starts, plus it is said they will market more on players and their legitimate backgrounds (there was a strategic policy to not market this last season because of the feeling that most of the players were NFL washouts and they didn't want to call attention to their legitimate backgrounds after college) as opposed to building around players gimmicked names such as "He Hate Me".

The Wall Street Journal ran a cover story on the league's disappointment, calling it "one of the biggest flops in television history," on 4/23, two days after the championship game. The story noted that before the season ever started, much of the NBC Sports division was against it, largely due to the reputation McMahon's programming had garnered in the media since its more "in-your-face" style and audience turned the company's sagging fortunes around in late 1997 and 1998. NBC claimed the pre-season and early-season attacking the NFL was not supposed to be part of the marketing strategy, and a senior executive claimed Dwayne Johnson and Jesse Ventura were taking orders from McMahon to do so. The reason it stopped was because Tony Ponturo, the sports/media VP at Anheuser-Busch, one of the league's major sponsors (whose contract, instead of make-goods, when ratings fell below projections was a refund policy based on a percentage of revenue spent and audience delivered, making the ratings decline

even more costly), told NBC to stop criticizing the NFL saying making enemies of the NFL was “not good marketing.”

It said that McMahon and Dick Ebersol shifted strategy after the second week when pressured to end the games at 11 p.m., eliminating pre-taped scripted pro wrestling style vignettes. They also, because of the media criticism, decided against airing shots of cheerleaders from what Matt Vasgersian joked was the “cleavage cam” from above looking down. And the decision was made to cut all on-air ties, eliminating all WWF performers except McMahon and Jim Ross from the telecasts, a decision that eliminated interest among wrestling fans, which in the long run probably made no difference, but in the short-run served to erode ratings. Just as McMahon was the person responsible for the original ideas, he was also the person who made all the key decisions about the changes after focus groups that were shown broadcasts complained about the wrestling-like content. Ebersol, apparently, still felt differently, thinking the wrestling connection was the key to attracting the young viewers he had promised and failed to deliver, but the two didn’t clash over the decision.

The story said the XFL did a second marketing campaign based on attempting to attract football fans, but ratings continued to slide. After the 3/17 game drew a 1.5 rating, NBC made the decision not to bring it back next season.

It noted some advertisers were happy, in particular the Army, which saw website traffic increase greatly after commercials during the games aired and signed up hundreds of potential recruits at live events.

The conclusion was that McMahon and Ebersol made a huge miscalculation assuming the young audience that liked make-believe WWF would like unscripted football.

(Assorted Notes)

-In the XFL “Million Dollar Game,” Josh Wilcox, who has done some pro wrestling in Oregon, including at one time having a WWF developmental deal and later did a few matches with ECW in New Orleans after he played last season with the Saints, including an angle where he turned on Tommy Dreamer, caught the first touchdown pass for the L.A. Extreme and did a people’s elbow on the football as a touchdown celebration. He also did an interview where he thanked people in ECW.

## **May 7, 2001 [START OF OFF-SEASON]**

-The future of the XFL seems in even greater jeopardy with the news that UPN is also seriously considering dropping the games next season. UPN had only signed a one-year deal with the league, and after mid-season, it was by far its lowest rated show. “There are some fairly significant issues that would prevent a season year on UPN,” said Adam Ware, the network’s CEO in a USA Today story. “As to whether or not we can figure out a way to address them, I don’t have that answer. As you look toward next year, it becomes even harder to do because

you're going back to the same category of advertisers and have to convince them to come back. The damage done by the negative press and by the problems NBC affiliates had many be too much at the end of the day to say that a second season is going to happen." XFL President Basil DeVito has said that the league couldn't continue for a second season if its only TV deal was with TNN.

-NBC, with the movie "Golden Eyes," did a 4.5 rating on 4/21, more than double what the XFL games were doing at the end.

### **May 14, 2001**

-Just as we were going to press, Broadcasting & Cable Online reported that UPN is considering cutting Smackdown to 90 minutes starting in September. The idea is they would use the 9:30 to 10 p.m. slot to introduce new comedy shows since wrestling would give the new shows the best possible lead-in. It was written as if UPN would cut the show and use wrestling to promote its new shows and in exchange, UPN would agree to carry the XFL for a second season, thereby saving the league. This will all go down by 5/17 when the official announcement will be made about the fall season. Due to the late breaking nature of the story, we haven't been able to get any kind of feedback from the WWF on this. This is not good news for WWF because what this basically means is the costs of producing Smackdown will stay almost exactly the same, but the revenue WWF will derive from doing the show will be cut back 25% at least, more if ratings drop. Unlike a very short few months ago when there was too much wrestling on television, any cutbacks now are significant because if anything, now there is too little available on a national basis. They already are rushing through segments in a two hour show so you know what'll happen with 90 minutes.

-Street & Smith's Business Journal had a big article about the future of the XFL, basically saying it's in the hands on the decision UPN will make about renewing. UPN officials have said they will make the decision by 5/17, which is the date when the network will announce publicly its fall schedule. It's a lock UPN won't air the games in prime time, but may be open to airing them on Sunday afternoons, where the pressure to deliver competitive ratings isn't as strong. UPN held its affiliates meeting on 5/8 in Salt Lake City, and GMs in some of the markets, Salt Lake City (where the NBC games did strong ratings), Little Rock, Memphis and Richmond spoke up in favor of keeping the league. Others spoke up against it. Adam Ware, the CEO of UPN, who seemed against keeping it last week, was trying to push it stronger at the meeting with a quote worthy of a wrestling promoter saying, "If you step back and breathe, you realize that an average of seven million people watch the XFL games. There's plenty of leagues that would be happy with half that number." There are plenty of leagues that would be happy with half that number, including the XFL. The championship game on NBC drew about 2.5 million viewers. The average game on UPN, the network he was talking about, drew 1.66 million viewers. The only show on the station that draws 7 million is Smackdown, and even it hasn't hit that figure since January. By the end of the season, the UPN game was down to about 930,000 viewers and the TNN game to 354,000-and remember it was by far, the single most heavily promoted program on the station drawing numbers like that in the traditional football time slot. There are

plenty of sports leagues that would love those numbers as well, and die for the amount of promotion XFL got on their stations as compared with what they get, but there isn't one network executive that wouldn't be ready for a coronary if a show was drawing numbers like that in prime time. This is not a knock on the XFL because I watched a lot of games and had no problem with them and enjoyed most of the games I watched. It's not about quality of play. It's about business. As someone who is more interested in the health of pro wrestling, there is no question that any wrestling fan who thinks about it should hope UPN doesn't carry it next year. The reason? Because that's a great excuse for WWF to pull out and maintain its dignity to a degree. If WWF keeps it going a second year, that will mean equal or larger money losses next year, and if wrestling hits any kind of a downslide, and that could happen at anytime, in a one company universe, it will necessitate a cutback in the amount of money spent on wrestling and wrestlers and be a strong negative on the pro wrestling industry because it will more than likely affect income and popularity at the other end when less money is being spent on the product. The overall wrestling industry in this country has declined to a scary amount in the last few months and the one thing people should hope for is to avoid anything that continues, let alone potentially, speeds up a decline. Whether it's Roller Derby or WCW, fad businesses can go down in a hurry. This isn't a warning saying WWF will be dead in 14 months like Roller Derby was after drawing 50,000 fans to a live event in Chicago, or in a somewhat similar time frame like the collapse of WCW, but to think it can't happen would be ignoring history and you know what happens in wrestling to people who do that. The same thing to those who ignore the present and live in the past. They become dinosaurs. And dinosaurs are extinct, just like WCW. The XFL didn't affect WWF that negatively this year because WWF still generated enough revenue from wrestling to make up for XFL losses and still be profitable as hell, but that's also because half the losses were carried by NBC. Without NBC carrying half the losses, WWFE would have gone from immensely profitable to actually losing more money in one year than any wrestling company in the history of this industry except WCW in 2000. The fact that situation not only could happen next year, but all things staying equal, will happen next year, is enough to make everyone really think this thing through. There is a big difference between the XFL and every other sports league out there, such as WUSA or WNBA, MSL or NHL or a lot of leagues that overall will lose a lot of money. All those leagues have multiple rich owners who may lose a few million through ownership of a team, but the league's total losses are spread around. If WUSA let's say loses \$120 million in its first year of operation, that could be eight owners losing \$15 million, which is substantial, but not like one owner losing \$120 million. The only thing I can see to make this work is if McMahon sells off the franchises to local owners, the cutting of the losses to per owner through multiple ownership may keep the league alive for a while and McMahon actually may come off good if he can sell them for enough to pay for the losses early on. But it's still the USFL coming back for a second season no matter how you sugar-coat it. That's the only motive I can see where this could pay off because they'll never have the star power to make it work as a traditional sports business because, as this year has shown, the majority of players worth a damn in the league won't be back next year anyway.

-The people who own Viacom are not stupid. During January, right before the XFL season started and the WWFE stock collapsed, Viacom sold 111,800 shares of its stock for \$2,064,385, which is a hell of a lot more than it would be worth today. Viacom's original purchase of the

stock in September as part of its deal to get the programming from USA Network was 2.3 million shares for \$30 million. They were the only major insiders who sold WWFE stock during January, so all those employees didn't see the thing coming. So on the stock they sold they made a profit of \$610,985, while those poor people who bought that same stock are out roughly the same amount with the XFL-led decline.

## **May 28, 2001**

If wrestling seems to move fast, the entire history of the XFL was like that of a lightning bolt. Vince McMahon went from being the toast of the television world when huge ratings came in for opening night. And within one week, it became the butt of jokes, set record low ratings, lost millions and failed faster than you can say USFL. McMahon and Dick Ebersol announced on 5/10 at a hastily put together press conference less than three weeks after the championship game that they were disbanding the league after McMahon a few hours earlier had gotten word from UPN that they were not going to pick the league up for a second season. NBC has pretty well made that decision during the season, but had yet to publicly acknowledge it. McMahon said that they, without UPN or NBC, looked into cutting the league into six teams and going ahead with a second season, but felt it wouldn't be economically viable, and shut it down. There was no other decision possible and had UPN opted to pick up the league for a second season, this was probably not the right time, due to the amount of work needed in promoting two different wrestling brands, for McMahon to devote to attempting to rebuild a football league with such a negative stigma. McMahon was conciliatory, blaming only himself, saying it was entirely his fault and refused to blame the media. He even admitted his bombastic style of promotion hurt the league after the first week. If nothing else, perhaps a lot of good will come out of this with lessons learned, such as just how difficult and perhaps impossible it is to bring the wrestling audience to a non-wrestling product, and that the Mr. McMahon character plays great to wrestling fans on wrestling shows, but when used in the real world, it doesn't play as well. In addition, if any lesson can be transferred to wrestling, it is just how important it is when launching WCW, that the show be ready on day one, particularly in a weak time slot. Being a work in progress doesn't work to today's audience, who have hundreds of channels and short attention spans. McMahon seemingly realized that and came across at the press conference as humble as he could possibly be, saying that he would still be interested in getting into outside wrestling ventures. McMahon estimated that after taking tax write-offs for the league's losses, the league cost his company \$35 million. NBC also lost somewhere between \$35 million and \$50 million on the project. Dick Ebersol said in hindsight, the two needed more time to put the league together so they could have had a more consistent product. Even so, in hindsight, for so many reasons people said before the first game was played, it was a marriage that probably couldn't work. Wrestling fans weren't going to embrace unscripted football. Football fans weren't going to embrace second rate football. There was no melding of product that could have embraced both because they couldn't deliver a product that would have satisfied either side. The league promised so much, but wasn't ready to make a first impression when the time came. While San Francisco drew well, largely credited to Pac Bell Park more than the league or the product, most of the cities suffered attendance declines with each successive game. It was clearly a novelty product based on tremendous hype. But the hype wore off at a pace that no



television show in the history of network TV has seen. While McMahon took full blame for the league's failure, Jesse Ventura, its most publicized employee, blamed its demise on the media. Ventura claimed that if the league wasn't a big deal, why was the news of its folding a lead story. Of course, the league's open was covered huge, its ratings were covered huge, its declines and bad angles were covered huge, and if anything, its folding was covered more or less as if it wasn't a shock or huge news but more the inevitability of something most had expected for weeks. Ventura on a radio show claimed that the media didn't care about the league when it was going on, which contradicts the fact he blamed them while it was going on for writing so much about the league that was negative, but when it folded, it was only a big news story because it was another chance to nail him as Governor.

Street & Smith's Sports Business Journal reported that McMahon was turned down by all major TV carriers in trying to make an XFL deal, as well as in an offer to sell part of the league to the NFL for use as a developmental league in the United States. It reported that overture was meant by silence, if not an under-the-breath chuckle. UPN CEO Adam Ware said the majority of the affiliates didn't want the XFL back. Ware said it was tough to sell ads for the league this season, and would be tougher next season. Ware blamed NBC's local affiliates for this (surprised he didn't blame the media), saying that they panicked and started selling their local spots at such a discount that UPN's stations weren't able to make any real ad revenue selling local spots. The story blamed pressures from the stock market since WWFE is a public company, and the negative press affected the stock price. It noted other leagues, like MLS, have lost a ton of money but they are privately held and have resisted many offers to go public so the MLS owners only have to answer to themselves. It noted sports teams by nature don't like to have to answer to shareholders every quarter about profit and losses.

### **June 11, 2001**

There was a lot of news coverage this past week on the death of Troy Stark, 28, who played last season in the XFL with the NY/NJ Hit Men. Stark had knee surgery early in the season, then needed a second operation last month. It is believed that he suffered a blood clot, which spread to his lungs, after the second operation, perhaps while doing physical therapy

### **July 2, 2001**

After the threats of a class action lawsuit by former XFL assistant coaches, the WWFE will continue to pay all assistants their full salaries and keep up their benefits through May 31, 2002. The coaches a few weeks ago had received a letter saying they would no longer be under contract after May 31, 2001. Several of them got together and threatened a lawsuit, which caused WWFE to extend the contracts another year. This affects between 50 and 60 assistants, as WWFE and the eight head coaches had already reached settlements on deals. The coaches threatened suit because most coaching positions in football are filled between December and February, and the timing of the folding of the league would mean few would have a chance to hook up with a new job in football until the end of this year

### **July 16, 2001**

Ad Age magazine did an item talking about the vindictiveness of Vince by saying that he had planned to blow up a Honda (an original XFL sponsor who pulled out and publicly bashed the league for not delivering the product they were led to believe they would deliver, ie. they were promised they would be sponsoring a football product) during a halftime show in one of the final weeks of the season. It said that cooler heads talked him out of it

### **September 3, 2001**

Since the XFL folded and the WWFE has become far more fiscally conservative, they didn't give out XFL championship rings to the members of the L.A. Express. They did allow the players to buy rings for \$120. How ghetto. Seriously, these guys worked all season with small guarantees, had all these touching videos made, took all that press ridicule even though most of it wasn't there fault because Vince went so crazy on the press early season, were told all along there would be a second season no matter what even though logic said otherwise, and were otherwise treated like far less well paid employees of WCW and then the company backs out on giving them promised championship rings to save five grand

### **September 24, 2001**

As of 9/1, the total money lost on the XFL was \$105.8 million, half of which was covered by NBC. The current estimate remains that when all is said and done, the XFL in its one season of activity would have lost \$116 million, which is far more than double in about 12 weeks than WCW lost in total, in 13 years (estimated at \$55 to \$60 million). Vince needs to be thanking UPN every day for not renewing that show because if he had ever tried a second season combined with the weakening wrestling economy, I'd feel so sorry for the wrestlers in the company.

### **January 7, 2002**

The XFL was back in the news all week as newspapers and magazines were doing their best and worsts of the year. XFL was at the top of most lists as the worst thing on television all year. It was the biggest high-profile ratings disaster in network prime time in years but it was hardly the worst thing on television. Think of some of those episodes of Thunder at the end. It topped most sports lists as the worst thing all year as well

### **May 13, 2002**

Speaking of the XFL, on the NBC 75th anniversary special on 5/5, they listed the XFL as one of their biggest flops